



Daily Report

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China

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Daily Report

China

FBIS-CHI-94-244

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General

Envoy to UN Urges 'Democratization' of Decisionmaking

OW1712033794 Beijing XINHUA in English 0222
GMT 17 Dec 94

[FBIS Transcribed Text] United Nations, December 16 (XINHUA)—Matters concerning the United Nations should be settled by all member states through discussion on an equal footing, Li Zhaoxing, China's Permanent Representative to the U.N., told the Security Council today.

Addressing the group on the topic of its working methods and procedures, Li said the Security Council bears primary responsibility, under the Charter, for maintaining international peace and security.

"The democratization and transparency of its work will help the general membership better understand its decision-making process, thus enhancing the authority of its decisions as well as its abilities," he said.

Among the specific steps listed by the Chinese ambassador for ensuring a more democratic and transparent council were: more open meetings to allow member states to express their views on subjects under consideration by the council, improved communication and information exchanges with other member states, and regular consultation with troop-contributing countries.

UNDP's Tumen Jiang Development Office Head Arrives

SK1512082994 Changchun JILIN RIBAO in Chinese
6 Dec 94 p 1

[FBIS Translated Text] An Dedun, director of the Tumenjiang Development Office under the UN Development Program (UNDP), and Madam Jia Lusheng, deputy director, entered our province from Hunchun on 30 November to begin their four-day observation and visit in our province's Hunchun, Yanji, and Changchun. They arrived in Changchun by train on the morning of 5 December.

That evening, Vice Governor Quan Zhezhu met with and feted Mr. An Dedun and Madam Jia Lusheng. Quan Zhezhu first extended a warm welcome to their visit on behalf of the provincial government and briefed them on our province's opening up, building of development zones, and foreign trade investment and cooperation with neighboring countries. He expressed hope that the Tumenjiang Development Office under the UN Development Program would do more work to promote economic and trade cooperation in Jilin Province and Northeast Asia. Director An Dedun thanked Jilin Province for giving him a warm reception. He said: This visit is aimed at learning more about the relevant situations in Tumenjiang area so as to ponder specific and workable steps for the development of Tumenjiang Area. He held

that it is very important to move the UNDP Tumenjiang Development Office from New York to Beijing. This, at least, will strengthen the exchange of information between the UN and relevant countries. He expressed that in the future he would come to visit Jilin Province more often and would jointly discuss relevant matters on Tumenjiang's development with responsible persons of departments concerned. Ding Shisheng, deputy secretary general of the provincial government and director of the Tumenjiang Development Office, and Fan Fei, deputy director of the provincial foreign affairs office, were also present at the meeting.

EU Aid to Tibet 'Channeled Through Beijing'

MS1812140194 London THE OBSERVER in English
18 Dec 94 p 11

[Anon Special Correspondent: "Tibetans Fear EU Aid Project Will Strengthen China's Grip"]

[FBIS Transcribed Text] Panam, Tibet—The European Union [EU] is pouring nearly 6 million pounds into an agricultural scheme that experts say will strengthen China's grip on Tibet and irrevocably damage its environment.

A trip by The Observer to Panam county, an area of mountain valleys 124 miles south-west of the capital Lhasa, found local Tibetans fearful that the project will overwhelm them with Chinese colonisers, destroy their traditional subsistence farming methods and exhaust the soil.

The 5.89m pounds (ecu 7.6m) grant for the Panam County Integrated Rural Development Project marks the first time the EU has authorised a major infrastructure subsidy for Peking since the 1989 Tiananmen Square massacre. It is the largest development scheme undertaken in Tibet by the EU and accounts for a third of the Union's aid for China and Tibet in 1995.

The Asia and Latin American Committee of the EU approved the project unanimously on 19 October, despite a European Parliament resolution two years ago that criticised China's human rights record in Tibet and called 'for the immediate reversal of policies that encourage the mass transfer of Chinese to Tibet'.

The non-binding resolution also called on the European Commission, the EU executive, to make 'the granting of assistance to China conditional on the observance of basic human rights, and freedoms, particularly in Tibet'. The demand was reiterated in another motion in September 1993. There is no provision in the project linking it with human rights.

China's record on human rights is notorious and human rights monitors have cited more than 60 arrests of Tibetans for political offences this year.

China invaded Tibet in 1950, forcing the Tibetan government into exile nine years later. It has between 40,000

and 50,000 troops in Tibet and has mounted a massive 'colonisation' campaign, involving pouring millions of pounds' worth of projects and hundreds of thousands of ethnic Chinese into the area.

The Dalai Lama—revered by Tibetans as a spiritual and political leader and an incarnation of Buddha—remains in exile in India. This year the Chinese banned Tibetans who work for the government from even having his picture.

The Panam project, details of which have not been released publicly but have been acquired by The Observer, is a proposal that was put together by Peking. The aid is channelled through Peking, and has just been put up for tender. The only way of reducing control by Chinese officials would have been to use non-governmental organisations.

Peter Guilford, spokesman for external economic relations for the Commission, says non-governmental organisations [NGO] 'participated' in the drafting of the scheme. But, in fact, this masks severe reservations by many NGO experts about the moral, environmental and agricultural features of the project.

Guilford says Medecins sans Frontieres [MSF] was involved in drafting stage, but MSF deny this. A spokesman said: 'We decided not to participate in the Panam project as it does not fit within our own criteria, as our priority is to work mainly in the poorest areas of Tibet.'

The project's goal is to turn Panam into Tibet's breadbasket, by helping local farmers boost harvests by as much as 10 per cent annually, using irrigation technology and skills provided by European experts. Theoretically, the local population, which is mainly Tibetan, should enjoy rising incomes and living standards.

Chinese officials have told Brussels that only 60 ethnic Chinese live in the area. Observer investigations show this is untrue. An Observer reporter found that hundreds of colonisers have already moved in, and apartments are being thrown up in the main town, Panam Dzong, to house thousands more.

A Chinese municipal official admitted that part of the scheme would be diverted to the colonisation effort. 'We're glad this scheme is coming to the area. It will provide water for new homes that are being built, and for the county offices,' he told an Observer source.

China—which is providing the remaining 11m pounds (ecu 14.2m) for the five-year scheme—earmarked Panam because its fertile soil guarantees quick returns. But a European who has worked on the project says Brussels blithely swallowed Peking's proposal and accuses the EU of helping an irrigation project to provide food for Chinese migrants. The project is especially controversial among Tibetans because Panam is already a successful farming area, which uses Tibetan methods of

irrigation. Farmers have been careful to rotate low-yield crops, such as barley, and let the land lie fallow.

But over the past few years, the Chinese have forced far-reaching changes on them in a push to increase wheat production and drive them to sell on the open cash market.

Farmers say they have been forced to substitute chemicals for yak-dung fertilisers, and pressed to use pesticides, which Tibetans, as Buddhists, eschew. County officials impose taxes on farmers who refuse to use pesticides and fertilisers.

An expert on Tibetan farming who lobbied EU officials to abandon the project warns that it could become a dustbowl. He said: 'The soil may look rich, but it will dry out from excessive farming, and farmers will then need a lot more fertiliser to increase harvests even by a small amount. In Tibet, the soil is so thin that you can quickly transform it into desert. Within a decade, the land at Panam will become a desert if this project goes ahead.' The expert refused to be named for fear of endangering funding for his work.

Reacting to The Observer's investigation, Peter Guilford insists that there was a 'detailed appraisal of all the environmental aspects of the project'. But, an official at the European Commission said last week that at no stage was a detailed study undertaken.

'Environmental impact was a question raised by member states while we were obtaining the green light (for the project),' said Jens Schellerup, of the Commission's Far Eastern economic relations department. 'We can't say we have made a detailed environmental impact. But we have considered all possibilities of the effect on environment.'

But experts in the region point out that careful formulation of any project is essential. 'In Tibet, as in other highland areas of central Asia, with extreme natural conditions and a high degree of climatic stress, various aspects of the ecosystem are more fragile, and not all standard economic and service innovations are financially sustainable,' says Dr Graham Clarke, development and anthropology, Oxford.

A further worry in Panam is that the scheme will add to pressure to abandon a trading tradition and way of life as venerable as Tibetan religious scrolls. In Panam county—an area of 386 square miles, with 30,000 inhabitants—farmers have traditionally operated on a barter system, swapping their cereal crops with nomads for sheep and yak. That is now changing to a cash system introduced by the Chinese, who are pushing farmers to grow wheat, a staple for Chinese but little used by Tibetans, who prefer barley.

The project raises a wider question about the EU's aid policy: has the European Union been fooled into subsidising schemes that seem designed to feed incoming Chinese?

Brussels sources say the project was presented by China's Ministry of Foreign Trade and Economic Co-Operation (MoRec) and accepted without an independent investigation into whether other areas were in greater need. 'It was a proposal presented by to us by MoRec,' said Schellerup. 'We would have taken any other area proposed to us. It is difficult to examine all the alternatives. That would mean that the recipient at the end and the authorities would have to change everything around.'

Sources have disclosed to The Observer that the Commission was in fact criticised by member states and development agencies on the Asia and Latin American Committee of the EU. That panel vets aid proposals for those regions on the Council of Ministers, the EU's top decision-making body. 'There were a lot of questions from the member states, particularly about the sustainability of the project. The officials' answers filled a book,' said one source. The project, ALA/CHN/9419, remains in closed circulation and has never been submitted for debate at the European Parliament.

In a detailed defence of the project, Guilford says it 'has been prepared with a keen eye for the views of local people, as well as in close consultation with Tibetans within the local administration'.

But, as Robert Barnett of the Tibet Information Network, says: 'Tibet, like all of China, is run in a rigid, top-down structure and in our experience it is virtually impossible for any Tibetan to speak their mind openly, let alone to a foreign official in the presence of Chinese cadres.'

'The EU has accepted virtually wholesale the Chinese plan for the future shape of the Tibetan economy. The priority from Peking is to produce foodstuffs for the Chinese settlers moving into Tibet,' says Tim Nunn, General Secretary of the Tibet Support Group (UK). 'The EU should have ensured that the Tibetans chose their own methods for the development of modern Tibet without it being imposed by the Chinese with EU money.'

Li Tieying Meets Foreign Experts Attending UNDP Conference

OW1712095394 Beijing XINHUA in English 0945
GMT 17 Dec 94

[FBIS Transcribed Text] Beijing, December 17 (XINHUA)—State Councillor Li Tieying met here today with foreign experts who have come to attend a conference of the United Nations Development Program (UNDP).

Arthur Holcomber, UNDP Resident Representative in China, was also present at today's meeting.

The purpose of The three-day conference, which ended this afternoon, was to evaluate a UNDP-aided project—the China Integrated Economic Development Policy And Planning, which was sponsored by the Development and Research Center of China's State Council.

Over 300 Chinese and 50 foreign experts were involved in the four-year project, which ended in March this year.

CPC Holds New Year Reception for Foreign Envoys

OW1912132494 Beijing XINHUA in English 1303
GMT 19 Dec 94

[FBIS Transcribed Text] Beijing, December 19 (XINHUA)—The Communist Party of China (CPC) Central Committee held a reception here today to send New Year greetings to resident foreign envoys in Beijing.

Li Shuzheng, Head of the International Liaison Department of the CPC Central Committee, proposed a toast, saying that the CPC has always attached great importance to friendly relations with political organizations and non-governmental groups in other countries.

Party-to-party diplomacy constitutes an important part of China's overall diplomatic work, Li noted.

The CPC has established friendly relations with ruling parties and other political organizations in other countries on the basis of the Four Principles guiding party-to-party relations, she noted.

Over the outgoing year, the friendly relations between the CPC and foreign parties have recorded new growth, she added.

Diplomatic envoys and their wives from more than 110 countries were present at today's reception.

Investigations of Spratly Islands Reap Fruits

OW1812154194 Beijing XINHUA in English 1532
GMT 18 Dec 94

[FBIS Transcribed Text] Guangzhou, December 18 (XINHUA)—Investigations and surveys of the Nansha Islands [Spratly Islands] in south China over the past ten years have reaped fruits, according to a conference held today in this capital city of south China's Guangdong province.

The Nansha Islands and its adjacent sea areas are undisputed territories of China. It is rich of natural resources, according to surveyors.

Since 1984, the State Council has organized three large-scale investigations of the islands and its adjacent sea regions.

During the past decade, investigation and research teams, made up of scientists from concerned departments of the nation, made 21 voyages extending to a total of 150,000 km, conducting geological surveys in over 1,000 stations in the whole region.

Scientists from the teams said that they have completed more than 50 programs in about ten fields of ocean geology.

Surveyors said that they had analysed the geophysics situation of this area and obtained more accurate information for reef construction.

Investigations has also showed that there is a biologically active layer below the surface of the sea and determined some sea breeze driven current modes under the sea.

A total of 3,372 kinds of organism living in the area, 43 of them were newly discovered.

Ending U.S. Blockade Remains Cuban Priority

OW2012031994 Beijing XINHUA in English 0215
GMT 20 Dec 94

[FBIS Transcribed Text] Havana, December 19 (XINHUA)—Cuban Acting Foreign Minister Isabel Allende said today that ending the U.S. trade embargo against the island will remain a top priority of Cuban foreign policy in 1995.

As long as the U.S. harassment continues, Allende said, Cuba will fight to end it.

Another foreign policy priority, she said, is projecting a realistic image of the island to the world.

"Not an idyllic or perfect image, because there is no perfect society and all of us have problems, but the real image," she said.

Three Sino-Foreign Joint Ventures Sign Contracts

OW1712160494 Beijing XINHUA in English 1555
GMT 17 Dec 94

[FBIS Transcribed Text] Beijing, December 17 (XINHUA)—The Temax Co. Ltd. of Germany and the China Technical Corporation of U.S.A. (CTC) signed contracts here today respectively with Yangzhou and Baoding cities to set up three joint ventures with a total investment of 40 million U.S. dollars.

The three joint ventures are CNTIC TEMAX Machine Tools Co. Ltd. in Yangzhou city of east China's Jiangsu Province, the Baoding Temax New Building Materials Co. Ltd. in Baoding city of north China's Hebei Province, and CNTIC Internal-combustion Engine Parts Co. Ltd. between CTC and Yangzhou city.

It is learned that the CNTIC Internal-Combustion Engine Parts Co. Ltd. is to be the largest export base for components of internal-combustion engines with an annual production ability of 200,000 cylinder jackets one year after the establishment.

When going into production, the CNTIC TEMAX Machine Tools Co. Ltd. is expected to produce 300,000 electro-mechanical products annually, over 70 percent of which are to be exported to the European and American countries valued at 30 million U.S. dollars.

The Baoding Temax New Building Materials Co. Ltd. with an investment of 14 million U.S. dollars will produce 6,000 tons of new decoration materials annually.

Article Says U.S. Upgrades Relations With Africa

OW1712234094 Beijing XINHUA in English 1749
GMT 17 Dec 94

[By Huang Pengnian: "U.S.A. Pays More Attention to Africa"]

[FBIS Transcribed Text] Addis Ababa, December 17 (XINHUA)—The on-going visit to 8 African countries by U.S. President's National Security Adviser Anthony Lake demonstrates the change of U.S. policy towards Africa and growing U.S. attention to Africa.

Lake started his tour from a visit to Ethiopia on December 15.

During his stay here, Lake said "President Clinton has sent me here, with a delegation of senior officials from a number of our departments, for a simple reason: This administration cares deeply about Africa and its future," because "we have deep interests in Africa."

Washington also announced that Clinton himself has been considering a trip to Africa next year.

The evidence has showed that the U.S.A. has put a new focus on Africa. In June this year, Clinton hosted the first ever White House conference on Africa for two days to consider the situation on the continent and a new U.S. policy for Africa. This was followed by a series of visit to Africa by high ranking U.S. officials. In the last six months, Clinton met with seven African heads of government in Washington.

Lake also visited the Organization of African Unity on Dec. 15 when he held talks with Salim A. Salim, Secretary General of the OAU on the situation and on ways of settling the thorny problems in Africa. This is the first time ever that the most senior U.S. government official visited the OAU. Salim said that this visit underlines "historic transformation of the U.S. policy towards Africa" and "demonstrated ready disposition (of U.S.A.) to cooperate with Africa and assist in meeting the challenges which the continent now faces."

In his remarks delivered to the OAU staff on December 15, Anthony [name as received] said that the Clinton administration "rejects Afro-pessimism" and is to advocate "Afro-realism." He said that the "Afro-realism" means that the U.S.A. is committed itself to working hard to "strengthen the partnership between Africa and America."

In this remarks, he also outlined U.S. programs to help Africa deal with problems it faces.

He stated, the U.S.A. will increase cooperation and support to the OAU's conflict resolution in Africa. He

said "we want to help redouble your efforts to prevent conflict and enhance your peacekeeping activities" on the continent.

He stressed that "the Clinton administration stands with you and with everyone on the front lines of the struggle for Africa's future." So far, the U.S. administration has committed 1.5 million dollars to support the OAU's conflict resolution program under way.

Besides, he also stated that the U.S.A. will continue its support for the demobilization of armed forces in several African countries like Ethiopia in an effort to promote stability. According to him, over the past two years, the U.S.A. has allocated some 40 million dollars for demobilization program. He said that U.S.A. is expected to provide up to an additional 25 million dollars for demobilization this year.

Meanwhile, he also stated that the U.S.A. will help African countries address the root cause of hunger and famine by integrating relief aid and development efforts and help African countries enhance efforts towards addressing overpopulation and stopping environmental degradation.

It was noted that he made the above-mentioned statement against the background that certain Africans are disturbed by the news that the U.S. Republicans would actually want to cut assistance to Africa after the Democratic Party has lost control of Congress.

Although he outlined the U.S. program to help Africa in dealing [with] the problems it now faces, he stressed that Africa must rely upon its own efforts to resolve the problems on the continent. He said as the world around Africa is fast coming together politically and especially economically, "unless African nations can resolve their internal problems so that they can come together in similar fashion, Africa could be left outside the new global marketplace." He expressed the hope that the African leaders could play leadership role in deal with Africa's problems.

United States & Canada

U.S. Pressing for Resolution to Helicopter Incident

OW1912235694 Beijing XINHUA in English 2145
GMT 19 Dec 94

[FBIS Transcribed Text] Washington, December 19 (XINHUA)—The U.S. Government is pressing for an "early resolution" to an incident in which a U.S. Military helicopter went down in the Democratic People's Republic of Korea (DPRK) last Saturday [17 December], with one pilot dead and the other captured.

President Clinton said Monday that "It's a highly priority. We're working on it and we are going to do our best to resolve it."

In response to a question during a White House budget briefing, Clinton told reporters that "I've worked on this all weekend. I'm going to keep working on it and we're working toward an early resolution to it."

Earlier, Clinton asserted "this tragic loss of life was unnecessary." But he avoided public criticism of Pyongyang's handling of the matter.

State Department spokesman Mike McCurry said that State Secretary Warren Christopher talked early Monday by telephone with U.S. Congressman Bill Richardson, who happened to be visiting Pyongyang when the incident occurred. Richardson reported "no progress" in the gaining the release of the captured pilot or recovering the remains of the killed crewman.

Richardson has been asked by the U.S. Government to extend his stay in Pyongyang to represent Washington in dealing with the matter since no diplomatic relations exist between the two countries.

So far, not much details about the incident have been announced here. According to a press report, Richardson learned from the DPRK side that one pilot of the U.S. Army helicopter was killed and the other captured when the chopper strayed across the demilitarized zone (DMZ) dividing the northern and southern parts of Korea Saturday. The captured pilot was allegedly being questioned for intruding into the DPRK.

However, the Pentagon has not been able to confirm whether the helicopter had been shot down or it had made an emergency landing.

The Defense Department has launched "a full investigation" into the incident, Defense Secretary William Perry said in a statement.

White House press secretary Dee Dee Myers said that the administration remained in contact with Pyongyang through Richardson and "other channels." "I can't talk about the specifics," she said. "You have to understand—the stakes are fairly high."

"We're hopeful this will be resolved quickly and it will not have an effect on the nuclear agreement," she stressed.

The State Department spokesman Mike McCurry, in answering a question about the incident's possible impact on the U.S.-DPRK rapprochement, said that in the agreed framework reached between the two countries on October 21, there was a projected improvement of relations, and "certainly a positive outcome in handling of this incident would be one way in which this movement towards improved relations could manifest itself."

U.S. Groups To Invest in Tianjin Infrastructure Projects

OW1712155594 Beijing XINHUA in English 1516
GMT 17 Dec 94

[FBIS Transcribed Text] Tianjin, December 17 (XINHUA)—The US Ambassador Group and a US government agency plan to pour 1.17 billion yuan into the infrastructure projects in this largest port city of Tianjin in North China.

They will invest 470 million yuan in a 4.5 km-long elevated express way and another 700 million yuan in a thermal power plant.

The Ambassador Group is seeking other projects for cooperation.

Firms Hire New York Lawyers To Contest Lehman Claims

HK1912105294 Hong Kong AFP in English 0701 GMT 19 Dec 94

[FBIS Transcribed Text] Hong Kong, Dec 19 (AFP)—Two Chinese government-run firms vowed Monday to "vigorously" fight claims by US investment bank Lehman Brothers of default, maintaining they were the result of "unfair" marketing.

Cao Yongfang, president of Minmetals International Non-Ferrous Metals Trading Co., said in a statement released here that "we intend to respond vigorously to Lehman's claims, which we believe are entirely without merit."

"We have instructed our attorneys to investigate all aspects of Lehman's dealings with our companies in order to pursue counterclaims based upon what we believe were Lehman Brothers' improper and unfair marketing, trading and investment advisory services," he said in the statement issued jointly with China National Metals and Minerals Import and Export Corp. (Minmetals).

The two firms have retained New York-based international law firm Kaye, Scholer, Fierman, Hays and Handle and litigation partner Aaron Rubinstein to represent them in the 52.5 million dollar lawsuit filed against them in the US Federal Court in New York by two subsidiaries of Lehman.

Lehman Brothers' suit alleges in a writ filed November 15 that both Minmetals and Minmetals Non-Ferrous are responsible for alleged losses sustained in trading derivative products marketed by Lehman.

It is also part of a consortium of bankers in London trying to recover 40 million dollars from a subsidiary of the China International Trust and Investment Corp (CITIC) in Shanghai for alleged debts on metals futures.

Rubinstein was quoted in the statement as saying that "the information we have seen so far paints a very troubling picture of Lehman's derivatives trading practices."

Franklin Chu, the partner in charge of Kaye, Scholer's Asia practise based in Hong Kong, said "Lehman has apparently sought to characterize the alleged losses as simply bad debts."

"Such characterization misrepresents what happened," he said.

"Those foreign traders that deal unfairly with, and take advantage of, Chinese companies should not expect to do so with impunity," Chu said.

Lehman Brothers could not be reached for comment but earlier a spokesman said the company was extremely confident of winning the case.

However, Beijing moved Sunday to absolve itself from involvement in the scandal, saying four staff at CITIC Shanghai had been arrested on corruption charges relating to illegal trading on the London Metals Exchange.

The China Daily Business Weekly said two managers and two dealers have been detained following the trading scandal, which incurred heavy losses. A senior company official was quoted as saying foreign counterparts were partly to blame for the losses because they extended credit lines to the traders without informing the parent company.

Shanghai, American Legal Scholars Open Talks

OW1612164894 Beijing XINHUA in English 1605 GMT 16 Dec 94

[FBIS Transcribed Text] Shanghai, December 16 (XINHUA)—An American delegation of legal scholars, headed by Ginger Lew, General Counsel of the Department of Commerce of the U.S. Government, began to hold exchanges on legal affairs with Shanghai's law circles here today.

Lew pointed out that it was the correct time to deal with some issues concerning the law, which are key to Sino-U.S. Economic relations.

Sources said that the main topics on the agenda will include those on GATT (General Agreement on Tariffs and Trade), world trade organization, securities, and business partnerships.

Representatives from both sides said that the exchanges on the law will help enhance co-operation in trade and economic development of the two countries.

Northeast Asia

Commentary Reports 'Progress' in U.S. Helicopter Incident

SK1912150494 Beijing China Radio International in Korean 1100 GMT 19 Dec 94

[Station commentary: "The United States and the DPRK Have Made Progress in Resolving the Incident in Which a U.S. Military Plane Infiltrated Into DPRK Territorial Airspace"]

[FBIS Translated Text] The United States and the DPRK made progress on 18 December in resolving the incident in which a U.S. military plane [as heard] infiltrated into DPRK territorial airspace.

The DPRK side agreed to inform the U.S. side of the status of the incident and give details regarding the U.S. military aviators.

A U.S. military spokesman said in Seoul that the two sides agreed to hold another meeting on 19 December to discuss this incident.

An OH-58 U.S. military scout helicopter was shot down by the Korean People's Army (KPA) five to seven km north of the Demilitarized Zone (DMZ) along the 38th Parallel on the morning of 17 December. Two U.S. military aviators were aboard the helicopter.

In a statement released later, the DPRK Government said that the KPA shot down a U.S. military helicopter that infiltrated into DPRK territorial airspace and that the aviator was being questioned. However, the U.S. Pentagon reported that this scout helicopter was unarmed and strayed into DPRK territorial airspace after losing its bearings during regular training.

U.S. President Clinton said on 18 December that he was notified by the DPRK side that one of the two aviators was killed during the crash and that another aviator was alive and unhurt. In a statement released yesterday at the White House, Clinton said Washington would use all means to ask the DPRK side to release the aviator who is alive and return the dead man's body. He also said he asked U.S. Representative Richardson, who was staying in Pyongyang, to keep in contact with the DPRK Government and U.S. Secretary of State Christopher.

Richardson arrived in Pyongyang on the same day this incident took place. The goal of his visit is to discuss with the DPRK Assembly [Supreme People's Assembly] the issue of implementing the U.S.-DPRK basic nuclear agreement. Richardson met Yang Hyong-sop, chairman of the DPRK Supreme People's Assembly, DPRK Foreign Minister Kim Yong-nam, and other officials yesterday. The two sides did not divulge the details of the talks. However, it was speculated the helicopter incident would be discussed.

Prior to the talks, Richardson, through his spokesman in Washington, threatened that if the Korean side does not send back the U.S. crewmen to the United States, relations between the U.S. and the DPRK will be greatly affected. After the incident, U.S. Secretary of State Christopher met with a senior representative of the DPRK mission to New York and expressed the U.S. side's great interest in the future of the crewmen. On 18 December, U.S. Secretary of Defense Perry stated that the Pentagon and the U.S. Army are now fully investigating the cause of the loss of the helicopter.

On the same day, the Korean Central News Agency, a DPRK government-owned news agency, pointed out that because the helicopter infiltrated into DPRK airspace, its crewmen should be questioned. In addition, the news agency reported that the U.S. and ROK Air

Forces conducted a joint exercise [word indistinct] along the 38th Parallel of the DMZ.

Relations between the United States and the DPRK have recently improved. The two sides held contacts to discuss [word indistinct] and the establishment of bilateral diplomatic relations following the agreement between their governments in Geneva on 21 October regarding the nuclear issue. They basically agreed to open liaison offices in each other's capitals.

The incident darkened relations between the United States and the DPRK, which have been improving with each passing day. People hope that both the United States and DPRK would be able to properly settle this dispute, proceeding from their desire to ease tensions on the Korean peninsula.

CPC Delegation Departs for DPRK 17 Dec
OW1712143394 Beijing XINHUA in English 1426 GMT 17 Dec 94

[FBIS Transcribed Text] Beijing, December 17 (XINHUA)—At the invitation of the Workers' Party of Korea, a cadres' delegation from the Communist Party of China (CPC), led by Kang Yi, deputy secretary of the CPC regional committee of the Ningxia Hui Autonomous Region, left here today for a goodwill visit to the Democratic People's Republic of Korea (DPRK).

Near East & South Asia

'Yearender' Views Advances in Middle East Peace Process

OW1512163594 Beijing XINHUA in English 1602 GMT 15 Dec 94

["Year-ender" by Xia Haitao: "Mideast Peace Process Advances in Deep-going Way"]

[FBIS Transcribed Text] Cairo, December 15 (XINHUA)—With the Palestinian issue making substantive headway and a peace treaty signed between Jordan and Israel, the Middle East peace process this year has developed extensively and in a deep-going way despite various difficulties.

The signing in May between the Palestinians and Israel of the final document on implementing Palestinian self-rule in the Gaza Strip and the West Bank area of Jericho and PLO chairman Yasir 'Arafat's return to Gaza after 27 years of exile marked a step of crucial importance in the peace process.

The Palestinians, who have suffered for decades after their land was seized by the Jewish state, have at last won back the right of reconstructing their homeland and gained a foothold for a final resolution to the Palestinian issue, which is the core of the Arab-Israeli conflict.

This important development has been followed by a peace treaty between Jordan and Israel, which formally

ended 46 years of hostilities between the two Middle East nations. The two countries have delimited their borders, established diplomatic ties, agreed to find a practical and just solution to the water problems and are planning a joint development of the Jordan Valley.

The signing of the treaty was a brave choice made by the leaders of Jordan and Israel out of consideration of their respective national interests and encouraged by U.S. promises of economic and military assistance.

The peace talks between Syria and Israel have made some progress but without a breakthrough. U.S. President Bill Clinton met with Syrian President Hafiz al-Asad twice this year and U.S. Secretary of State Warren Christopher has visited the Middle East region seven times since April trying to bring Syria and Israel closer to an agreement. "There are real opportunities to reach peace agreement between Syria and Israel," Christopher said after his recent Damascus tour.

The Israeli Labor government has committed itself to a settlement of the Arab-Israeli conflict while Syria has declared that it is its "strategic choice" to make peace with the Jewish state. Israel has indicated its recognition of Syria's sovereignty over the Golan Heights and is preparing public opinion for its withdrawal from the strategic Plateau it captured in the 1967 Middle East war.

As Israel will hold general elections in 1996, next year is believed to be "crucial" for the Syrian-Israeli peace talks. A solution to the conflicts between Lebanon and Israel can be expected once a breakthrough is made on the Syrian-Israeli track.

The progress made on the Palestinian issue has helped bring about improvement in the relationship between the Arabs and Israelis. Morocco and Tunisia have established low-level relations with Israel and the six Gulf states have announced an end to their indirect boycott of the Jewish state.

Talks on regional economic cooperation have thus started. The first Middle East and North Africa Economic Summit, held in Casablanca in late October, has injected fresh impetus into the peace process and marked a new starting point for economic cooperation in the region.

All the developments have opened up new prospects for the peace process, but tremendous obstacles and difficulties, that are expected to crop up in the process, have to be removed before a comprehensive peace could be obtained in the region.

The Syrian-Israeli peace talks have been dragging on as the two military powers in the Middle East are keeping a wary eye on each other due to the lack of exchange and confidence.

If no breakthrough is made on the Syrian-Israeli track before the Israeli general elections or if the ruling Labor

Party loses and Likud, the largest opposition party in Israel, which unequivocally objects to the withdrawal from the Golan Heights, wins in the elections, the Syrian-Israeli peace talks might become extremely difficult and complicated. Any progress that has been achieved so far in this track may end up in bitterness.

Meanwhile, the Palestinian-Israeli talks on self-rule in the West Bank are, too, progressing at a slow pace. Palestinian elections and Israeli troop withdrawal from the West Bank as provided for in the PLO-Israeli peace accords have been long delayed. No movement toward the implementation of the Palestinian self-rule was made without overcoming numerous obstacles.

The extremist forces inside both Palestine and Israel are also seeking opportunities to sabotage the peace process.

However, judging from the general trend of the Middle East peace process, it can be said that a comprehensive settlement of the Arab-Israeli conflict will not be too far away.

The path of peaceful co-existence between the Arabs and Israelis has been cleared. It will surely become ever wider.

Overview of Egyptian Role in Middle East Peace Process

OW2012013094 Beijing XINHUA in English 2119
GMT 19 Dec 94

[By Liu Shun]

[FBIS Transcribed Text] Cairo, December 18 (XINHUA)—Throughout the year 1994, Egypt has exerted strenuous efforts and played an important mediatory role in the Middle East peace process, prompting the conclusion of the Palestinian-Israeli agreement on Palestinian self-rule and reviving peace talks between Syria and Israel.

Thanks to Egypt's extensive peace-making efforts and arduous negotiations between the two parties in six months, the Palestine Liberation Organization (PLO) and Israel finally initialed an agreement in Cairo in February on the implementation of the Declaration of Principles which was signed in September 1993.

But hardly half a month after the initialing of the agreement, the Ibrahimi Mosque massacre in the West Bank town of Hebron in which an Israeli settler killed some 30 Palestinian worshippers suspended the Palestinian-Israeli negotiations.

To reactivate the peace talks, President Hosni Mubarak embarked on intensive contacts with Palestinian President Yasir 'Arafat and Israeli Prime Minister Yitzhak Rabin.

Meantime, Egyptian Foreign Minister 'Amr Musa flew to Israel and held talks with the Palestinian and Israeli sides to persuade them to resume the bilateral negotiations.

In response to Egypt's mediation, the Palestinian-Israeli negotiations were resumed in Cairo, and at long last 'Arafat and Rabin officially signed the historic Cairo Agreement on May 4, thus ending the 27-year-old Israeli occupation of the Gaza Strip and West Bank town of Jericho.

However, the Palestinian self-rule is no easy road, and the Palestinian National Authority is facing the financial and economic difficulties in rebuilding the infrastructure.

Moreover, repeated acts of violence between the Palestinians and Israelis also add difficulties to the fledgling Palestinian National Authority.

At this crucial time, Egypt again offered a helping hand to the Palestinians.

President Mubarak embarked on an European tour to urge the donor countries to speed up their assistance to the Palestinian self-rule area to prevent the peace process from collapsing. And he did succeed in persuading the Western donor countries to assist the Palestinians.

Once the Palestinian-Israeli Agreement was signed and the Peace Treaty between Jordan and Israel concluded, there remained the Syrian-Israeli track as the central key to comprehensive peace in the Middle East.

To help break the stalemate in the stalled Syrian-Israeli talks, Mubarak made three visits to Syria this year, and Syrian President Hafiz al-Asad flew twice to Egypt.

Besides, there have been intensive telephone contacts between the two leaders and frequent exchanges of visits between the two countries' foreign ministers.

Egypt, the first Arab country to establish diplomatic ties with Israel, supports the position of Syria which calls for full withdrawal of Israel's troops from the Golan Heights in return for full peace. But, at the same time, it is urging Syria to take a more flexible attitude in its talks with Israel in order to reach a solution acceptable to both parties.

Although little tangible progress has been achieved so far, the ground has been paved for achieving some progress on the Syrian-Israeli track, Mubarak's top political advisor Osama al-Baz [name as received] said in a press conference held recently.

He said Egypt expects "meaningful progress" on the track by late spring.

The United States attaches great importance to the role of Egypt in the Middle East and considers Egypt as its full partner in the region.

Cairo was the first leg of the Middle East tour of U.S. President Bill Clinton in late October. And most of the Middle East shuttle visits by U.S. Secretary of State Warren Christopher included Cairo.

In its diplomatic drive, Egypt is prompting the U.S. and other leading Western Countries to impose pressure upon Israel to pull out as early as possible from the Arab territories it occupied in the 1967 Middle East War.

The Western countries, on their part, appealed to Egypt to maintain its role in the peace process, particularly its mediation efforts between Syria and Israel.

With its active involvement and strenuous mediatory efforts in the Middle East peace process, Egypt has become a political center of the Arab world and the Middle East.

China Red Cross Thanks Egypt for Medicine Donation

OW2012092794 Beijing XINHUA in English 0905
GMT 20 Dec 94

[FBIS Transcribed Text] Beijing, December 20 (XINHUA)—The Red Cross Society of China (RCSC) expressed its thanks today for medicines donated by the Egyptian government for the country's flood victims.

RCSC Secretary General Li Changming, on behalf of RCSC president Qian Zhengying, handed a letter of thanks along with a memento to Egyptian Ambassador to China Samir Burhan Raghieb Muhammad for the 120 boxes of medicines it had received.

"We are deeply touched by this friendly gesture of the Egyptian people in assisting in alleviating the suffering of flood victims," said RCSC President Qian Zhengying in the letter.

It went on to say that this action "will no doubt further strengthen the longstanding friendship and cooperation between the people of our two countries."

'Yearender' Views Cabinet Crisis, Situation in Lebanon

OW2012092294 Beijing XINHUA in English 0846
GMT 20 Dec 94

["Yearender" by Zhao Zhuxiu: "Cabinet Crisis, Situation in Lebanon"]

[FBIS Transcribed Text] Beirut, December 19 (XINHUA)—Lebanon's cabinet rifts at last pushed Prime Minister Rafiq al-Hariri into verbal resigning in early December, creating the most serious cabinet crisis since the 1975-90 civil war.

At Syria's urging and effective mediation, al-Hariri agreed to stay in power, thus averted an economic calamity and saved the country from possible political chaos. With its 40,000 troops deployed in Lebanon, Syria plays a significant role in its neighbor's political and military affairs.

Al-Hariri, the 51-year-old billionaire who came to power two years ago, has great influence in financial circles in and out of the country. Following his verbal resignation

on December 1, the monetary market in Lebanon was seriously shaken and the Central Bank intervened by pumping millions of U.S. dollars into the market to stabilize the national currency.

Al-Hariri and the Parliament had been at odds over the Government's reconstruction policies. The prime minister accused his opponents in Cabinet and Parliament of obstructing his 2-year-old program to rebuild Lebanon.

Upon al-Hariri's resignation, certain political factions were even getting ready to choose their nominees to replace him. The prospects of struggles and conflicts were looming up in Lebanon between the adversary forces as to who would take over the premiership.

Lebanese President Ilyas al-Hirawi rejected al-Hariri's resignation and indicated that he would also quit once al-Hariri submitted his resignation. Undoubtedly, al-Hariri's return to power has defused the cabinet crisis and maintained political stability in the country.

Despite the recent crisis, 1994 has witnessed improved political, security and economic situation in Lebanon than it had been four years ago when the civil war came to an end.

With its security been improved, some 40 foreign embassies have been opened or re-opened in Beirut while 24 foreign aviation companies have re-scheduled their routes to land in Lebanon so far. Many foreign companies and banks also resumed their business in the country.

In the past two years, al-Hariri has made noticeable efforts in rebuilding Lebanon from the destruction of the civil war and has succeeded in achieving monetary stability. The value of the Lebanese currency has gone up, and the inflation is expected to reduce to 8 percent by the end of this year from 20 percent in 1992.

With improved financial status, funds are flowing into the country from abroad. The volume of capital flow into Lebanon over the past three years is estimated at 7 billion dollars, mostly from Lebanese expatriates, Arab and foreign investors, thus, reflecting world and regional confidence in Lebanon's capability of overcoming the negative consequences of the 15-year-old civil war.

By virtue of the financial and monetary stability in Lebanon, the Government is in a position to embark on the reconstruction of the country. So far, the Government has obtained 1.7 billion dollars in loans and grants from friendly countries for post-war reconstruction.

With funds available, the extension project of Beirut International Airport, the rehabilitation of communication and telephone networks as well as the electricity sector and hospitals have already started.

In fact, Lebanon is witnessing a development leap with the reconstruction drive shared throughout the country.

One prerequisite al-Hariri had put forward for withdrawing his resignation was the Parliament's quick ratification of his 10-year-old development program. By then, Lebanon is expected to witness a high tide of economic construction.

Among the challenges facing the Government at present are the establishment of a balance between the rehabilitation of Lebanon and improvement of the people's living standard, as well as the lack of control over the price hike of basic commodities.

Although the cabinet crisis in Lebanon is over, one may not rule out the cropping up of fresh differences and contradictions. But the Lebanese people who had suffered greatly would not permit any force to undermine stability and bring about chaos and civil war to their homeland.

'Yearender' on Resumption of Syrian-Israeli Peace Talks

*OW2012004794 Beijing XINHUA in English 2059
GMT 19 Dec 94*

[By Wang Genbao]

[FBIS Transcribed Text] Damascus, December 19 (XINHUA)—Syria's negotiations with Israel have been deadlocked since February but reports said today Israeli army officers met secretly with Syrian officials in Washington this month and their peace talks were scheduled to resume this week.

President Hafiz al-Asad declared Sunday [18 December] that Syria sincerely sought peace, but would "not relinquish its lands and rights."

The message is that Syria will not be willing to pay the price of peace by allowing Israel to continue to occupy any part of Syrian territory seized by the Jewish state in the 1967 war.

The stalemate in the peace talks is attributed to the wide gap in positions between the two sides.

Syria is demanding a complete Israeli withdrawal from the Golan Heights to the June 4, 1967 borders while Israel is avoiding any commitment to full withdrawal from the Golan.

The Israelis insist on a three-year phased pullout and ask for normalization of relations, open borders and trade between the two countries during the first phase of withdrawal. Syria demands the postponement of normalization of relations until after the Israeli withdrawal is completed.

So far as security arrangements are concerned, Syria expects equal and balanced security arrangements, while Israel insists on keeping some sensitive and strategically important areas.

Each party holds the other side responsible for the current stalemate of the Israeli-Syrian track of peace talks.

The Golan Heights was occupied by Israel during the 1967 Arab- Israeli War and was annexed by the Jewish state in 1981.

Despite their differences, the two parties are keen on maintaining the peace process. President al-Asad has stressed peace is "a strategic option" for Syria while Rabin has suggested, on more than one occasions, the convocation of a meeting with the Syrian president and called for the upgrading of the level of negotiators.

The United States is sparing no effort to reactivate the peace process between Syria and Israel. U.S. President Bill Clinton has met twice with President al-Asad this year and Secretary of State Warren Christopher has made several trips to the region to try to bridge their differences.

Political observers are of the view that the year 1995 will be a decisive year for the achievement of a comprehensive peace in the region.

The United States has promised further efforts to push forward the peace process, particularly on the Syrian-Israeli track in order to maintain its strategic interests in the region.

Success on the Syrian-Israeli track of peace talks will give the Clinton administration the last chance to transform its image at home and abroad.

The Israeli Labor Government of Yitzhaq Rabin wishes to settle differences with Syria while in power, now that an agreement has been signed with the PLO [Palestine Liberation Organization] in 1993 and a peace treaty concluded with Jordan in 1994. This will help pave the ground for a Labor victory in the 1996 Israeli general elections.

Prompted by the prospects of reconciliation in the Middle East, Syria wishes to hold negotiations with the Rabin government for an honorable solution acceptable to both parties, on the Golan issue.

Syria is believed to be keen on maintaining its long-term political and economic interests in the region, and improving its relations with the United States and other Western powers.

Syria is also concerned that the Israeli elections may bring the right-wing Likud to power. Should this take place, the three-year arduous Syrian-Israeli negotiations may end up in vain.

Diplomatic sources in the Syrian capital said that despite the difficult and zigzag path of negotiations on the Syrian-Israeli track, the settlement of differences between Syria and Israel over the Golan issue is just a matter of time.

Syrian Foreign Minister Faruq al-Shar' announced on December 9 that Syrian and Israeli ambassadors will resume the peace negotiations in Washington soon. The contacts are seen as a step that could lead to a more meaningful development.

'Yearender' Views Developments in South Asian Cooperation

OW1512151794 Beijing XINHUA in English 1409 GMT 15 Dec 94

["Yearender" by Pan Xiaozhu: "SAARC Moves Ahead"]

[FBIS Transcribed Text] Dhaka, December 15 (XINHUA)—The South Asian Association for Regional Cooperation (SAARC), with the aim of achieving common goals of economic development and poverty alleviation, is moving ahead with a more positive approach towards the problems facing the region.

Widespread poverty is the single greatest challenge facing the SAARC countries (Bangladesh, India, Pakistan, Nepal, Bhutan, Sri Lanka and the Maldives) with 30 to 40 percent of the region's one billion-plus people affected.

During the seventh SAARC summit held here last year, leaders of the SAARC members decided to make a dent on poverty alleviation as they identified it as the major hurdle hampering the region's progress.

For alleviating poverty in a shortest period, the SAARC members have adopted a significant step towards extending cooperation in the core economic areas by signing the SAARC Preferential Trading Arrangement (SAPTA).

All countries, excepting Pakistan, have already exchanged "offer and request lists" of items to be traded.

SAPTA is to be operational by 1997 as per the proposal of Sri Lanka and all formalities including finalization of schedules of concessions and process of ratification are to be completed before December 1995.

SAPTA will be governed by the principles of overall reciprocity and mutuality of advantages in such a way as to benefit equitably all contracting states, taking into account their respective levels of economic and industrial development, the pattern of their external trade and tariff policies and systems.

On the other hand, the SAARC countries attach more importance to dialogue with other regional organizations like ASEAN (Association of Southeast Asian Nations), European Union and APEC (Asia-Pacific Economic Cooperation).

SAARC has made some progress in different fields of common concern but could not make a big stride as expected. The main reason is that the countries of the region are not enjoying good neighborly relations.

For Bangladesh and India, their ties have been strained at least due to the Ganges water issue. Even the issue's recent raising at the United Nations by Prime Minister of Bangladesh and current SAARC chairperson Khaleda Ziaur could not ease the tension.

And the relations between India and Pakistan verge on open conflict over Kashmir with increasing violence and rising blood-letting, which has put the two countries to severe test.

The intrusion of ethnic Nepalese into Bhutanese territory has threatened the social balance of the peaceful Himalayan Kingdom and soured the peaceful relations between the two neighbors.

Ties between Sri Lanka and India is far from being cordial.

Most of the time the bilateral issues have been relegated to the backyard and a new beginning in the regional cooperation has been sought to be made. In the process neither the old problems get solved nor the forward-looking plans be materialized.

Cooperative efforts have failed to bring about any significant change in the region because the basic work has not been done.

As SAARC will enter its tenth year in 1995, observers here say, "Compared to where we were in regional cooperation, our progress is satisfactory; but compared to where we need to be, our position is nowhere near a reasonable level."

Although the pace of progress in some core areas of cooperation has been rather slow, priorities have been identified.

Meanwhile, there is a growing awareness about the imperative need to initiate concrete actions in these key areas to achieve visible impact on the people in this region who account for nearly one-fifth of the world population.

Sino-Indian Joint Military Exercise Plans Denied

OW2012041894 Beijing XINHUA in English 0341
GMT 20 Dec 94

[FBIS Transcribed Text] Beijing, December 20 (XINHUA)—The Chinese Foreign Ministry denied here today the report that the country will carry out a joint military exercise with India next year.

"The report that China and India would conduct a joint military exercise is utterly groundless," said Chen Jian, spokesman for the ministry while asked to confirm the report.

Nepalese Prime Minister Pleased With PRC Ties

OW1612152794 Beijing XINHUA in English 1452
GMT 16 Dec 94

[FBIS Transcribed Text] Kathmandu, December 16 (XINHUA)—Nepal's new prime minister Man Mohan

Adhikari [spelling of name as received] said here today that his newly-elected government will make every effort to speed up the economic development by continuing the process of economic liberalization.

The prime minister was talking to Chinese Ambassador to Nepal Shao Jiong Chu.

Adhikari expressed his happiness at the excellent state of Nepali-Chinese relations, reiterating his country's policy of cultivating mutually beneficial relations with all countries of the world, particularly its immediate neighbors, India and China.

He also expressed Nepal's pleasure and satisfaction at the normalization and gradual enhancement of friendly relations between India and China.

The Chinese ambassador conveyed personal messages of greetings and best wishes from President Jiang Zemin and Prime Minister Li Peng of China to Prime Minister Adhikari on his assumption of the premiership of Nepal.

The ambassador also apprised prime minister Adhikari that the Chinese government would extend further economic assistance to Nepal in its development endeavors.

CPPCC Delegation To Visit Lahore

OW1412143794 Beijing XINHUA in English 1310
GMT 14 Dec 94

[FBIS Transcribed Text] Islamabad, December 14 (XINHUA)—Exchange of Sino-Pak parliamentary delegations enriches mutual experience and furthers the existing Sino-Pak cordial relations, a visiting senior Chinese official said here today.

Talking to newsmen at the airport before departure for Lahore, Zhang Qia, deputy secretary general of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and head of an 8-member CPPCC delegation, said that the visit has been highly rewarding.

During its four-day stay in Islamabad, the delegation held discussions with Pakistani chairman of Senate and speaker of the National Assembly.

While in Lahore, the delegation is scheduled to visit Punjab University and some national tanneries.

The delegation is also scheduled to visit Karachi on December 16.

The CPPCC delegation came to Pakistan December 9.

Pakistani Bank Opens Office in Beijing

OW1912152594 Beijing XINHUA in English 1446
GMT 19 Dec 94

[FBIS Transcribed Text] Beijing, December 19 (XINHUA)—The Muslim Commercial Bank (MCB), the largest private bank in Pakistan, opened its first representative office in China here today.

"Our moving into China is to further promote the trade between the two countries and to facilitate financing Pakistan's enterprises which import equipment or plant and other projects from China," said Husain Lawai, president and chief executive of the MCB.

Pakistan is currently China's largest trading partner in South Asia, with 800 million U.S. dollars in bilateral trade registered in 1993.

The MCB has provided 26 million U.S. dollars in import credits to a China-aided cement project in Pakistan this year. It will finance another cement plant which will import equipment worth 45 million U.S. dollars from China in 1995.

According to Lawai, the MCB's Beijing representative office will explore opportunities for co-operation between the two countries such as the setting up of joint ventures.

"We hope to set up a branch bank in China as soon as possible so as to expand banking business," said Lawai, who mentioned Shanghai as the ideal location for such a branch.

As a listed bank, MCB has 75 percent of its shares held by Pakistan's leading industrialists; the other 25 percent is retained by the government.

Its total assets now stand at 4 billion U.S. dollars.

Qian Qichen Meets With Sudanese Trade Minister

OW1512142194 Beijing XINHUA in English 1144
GMT 15 Dec 94

[FBIS Transcribed Text] Beijing, December 15 (XINHUA)—Chinese vice-premier and foreign minister Qian Qichen has hailed the rapid growth of the relations between China and Sudan, the bilateral economic and trade relations in particular.

At a meeting with visiting Sudanese Minister of Industry and Trade Taj al-Sirr Mustafa in the Diaoyutai State Guesthouse today, Qian said he was also satisfied with the cooperation between the two countries in international affairs.

Extending a welcome to the Sudanese minister, Qian said, China and Sudan have traditional and close cooperative ties and their cooperation in international affairs and other fields are effective.

The Sudan has very favourable natural conditions for its economic development, Qian said. Adding that in developing economy, a peaceful international environment and a stable domestic political order are very important.

Mustafa said that the Sudanese government and its people treasure the "good and brotherly relations" between the two countries, which have been established

on the basis of the Five Principles of Peaceful Co-existence. The Sudanese government hopes for expanding such relations, the rapid economic ties and trade in particular.

The China-Sudan trade volume has more than doubled the figure registered in the past year to more than 74 million U.S. dollars in the first 11 months of this year.

Mustafa also thanked the Chinese government for its economic aid to Sudan while appreciating China's marked economic achievements scored in the reform and opening-up.

East Europe

Latvian President Continues Visit

Li Peng Meets Ulmanis

OW2012132494 Beijing XINHUA in English 1303
GMT 20 Dec 94

[FBIS Transcribed Text] Beijing, December 20 (XINHUA)—Chinese Premier Li Peng met here today with visiting Latvian President Guntis Ulmanis.

The two exchanged views on bilateral relations and briefed each other on the economic reforms in their respective countries.

Extending a welcome to president Ulmanis on behalf of the Chinese government, Li said in the meeting that Ulmanis' talks with Chinese President Jiang Zemin have been successful, adding that he believed Ulmanis' current visit will play an important role in the development of bilateral relations.

"We are delighted to see that Sino-Latvian relations have stepped onto a normal track of development through joint efforts," Li said, adding that China wants to further its relations in various fields with Latvia, a nation on the Baltic coast with developed industry and agriculture, on the basis of mutual benefit and on an equal footing.

The premier said that bilateral trade relations have made a good start, and that the cooperative agreement signed yesterday between the two sides has laid a legal basis for developing economic cooperation and trade.

Li noted that while the two countries' business circles should increase contacts, the two governments should create conditions for such contacts.

At the guest's request, Li gave a brief description of the policies and measures of China's reform and opening to the outside world, as well as its experience in dealing with the relationship between reform, development and stability.

Ulmanis described Latvia-China relations as very good. He added that the two sides now have a better understanding of each other.

The two documents signed Monday reflected the will of the two governments and peoples, he said.

Ulmanis said the trade exhibition he brought to Beijing has been successful, although it is small in scale. He added that contacts between the two countries' business circles would help promote bilateral economic cooperation and trade ties.

The president said he was happy to have a chance to see China's progress with his own eyes.

Not only Europe, but the whole world is following closely China's development, Ulmanis said. While developing relations with European nations, he noted, Latvia is ready to further develop relations with Asian countries, including China.

Ulmanis and his party left here tonight for South China's Hainan Province.

Ulmanis Addresses Business Seminar

*OW2012082294 Beijing XINHUA in English 0743
GMT 20 Dec 94*

[FBIS Transcribed Text] Beijing, December 20 (XINHUA)—Experts included in visiting Latvian President Guntis Ulmanis' entourage held a business seminar here this morning, briefing their Chinese counterparts on Latvia's economic development, foreign trade and policies on foreign investment.

President Ulmanis attended the seminar and delivered a report on Latvia's domestic economic situation.

He said that Latvia's inflation rate is comparatively low and it is still on a downward trend, and the unemployment rate is about 6.4 percent.

He continued that Latvia is developing and strengthening its contacts with the East, and 40 percent of the export of its metal industry goes to Asian countries including Thailand and China.

In addition, Latvia is concentrating on creating a better investment environment for both domestic and foreign investors, added Ulmanis.

He noted that various forms of cooperation are encouraged such as development of new enterprises and building joint ventures.

According to the President of the China Council for the Promotion of International Trade Zheng Hongye, the Sino-Latvian trade volume last year was 19.94 million U.S. dollars, and the figure for the first nine months of this year was nearly 15 million U.S. dollars, which represents a good tendency for the development of bilateral trade.

He expressed the hope that businessmen of the two countries will explore new fields of bilateral economic and trade cooperation.

Polish Premier on Eurasian Rail Link With Beijing

*OW2012043694 Beijing XINHUA in English 0332
GMT 20 Dec 94*

[FBIS Transcribed Text] Warsaw, December 19 (XINHUA)—The notion of building a Eurasian railway to link Poland and China is interesting and realistic, Polish Prime Minister Waldemar Pawlak said Monday [19 December].

The railroad will stride across the Eurasian continent, linking China and the Democratic People's Republic of Korea with Poland via Ukraine and Kazakhstan.

The Polish prime minister put forth this idea during his trip to Kazakhstan and China in September, and got support from the two governments.

The intercontinental railroad, if built, will drastically cut the time and expenses of rail transportation between Poland and China, he said.

Addressing a national meeting on regional self-government held in the western city of Poznan, Pawlak emphasized that in foreign affairs, his government will work in three directions: To complete Poland's integration with the European Union, to strengthen cooperation with the members of the Central European Free Trade Zone, which comprises Hungary, Czech and Slovakia, and to seek opportunities for cooperation with East and Far Eastern Asian countries.

On domestic economic situation, the Prime Minister said the Polish economy has seen some positive trends this year. Price hikes, for example, have been brought under control, and inflation and unemployment have dropped. It is projected that by the end of the year, the industrial turnout will be 12 percent higher than last year's.

Political & Social

Leadership Divided on Future Direction of Policy

HK2012093894 Hong Kong MING PAO in Chinese 20 Dec 94 p B1

[Special article by Hong Chuanren (3163 0278 0088): "Jiang Zemin, Li Peng, and Zhu Rongji Each Sticks to His Own View on Political and Economic Situations"]

[FBIS Translated Text] A source in Beijing pointed out that senior CPC officials, including Jiang Zemin, Li Peng, and Zhu Rongji, have held fast to their own views on the current political and economic situations in China and none of them has been able to persuade others. Therefore, the national economic work conference and the economic planning work meeting, which ended recently, could not make substantive arrangements. This is a situation where three people "stand like three legs of a tripod."

The source said that the division of work in the CPC hierarchy is that Jiang Zemin is in charge of party affairs and ideology, Li Peng is responsible for the coordination of the nation's administrative and economic work, and Zhu Rongji is in charge of the actual operation of reforms and economic work. It has been reported that Zhu Rongji has a major reform plan in mind. According to his tentative ideas, there will still be comparatively radical action to reform state-owned enterprises and the financial structure next year. However, reform measures introduced in these areas this year have encountered powerful resistance in the localities. Li Peng, who is responsible for comprehensive coordination, "does not favor fast-paced reform," so he has not been very enthusiastic about "coordination."

Although Jiang Zemin does not have a hand in economic affairs now, he always stresses the importance of stability and is inclined towards a slower pace of reform. On the other hand, Jiang Zemin hopes to make some political achievements, so he does not want to allow the reforms to stop completely. The source added: The three persons have their own ideas and have think tanks of their own, which consist of a number of academics, experts, and cadres from government departments at the departmental and bureau levels, with a relatively complete theoretical and operational system. Hence, in their disagreements of opinion, their strengths and advantages match one another.

It has been learned that they have not been able to reach consensus and form substantive opinions on economic work next year except for the issue of curbing inflation. Nonetheless, they will not reverse the reform steps they have made this year. An authoritative figure predicts that reform of state-owned enterprises next year, particularly the bankruptcy experiment, will not be carried out on such a large scale as people anticipated earlier. Instead, this reform will only be carried out at limited

experimental sites in certain cities. With regard to financial structural reform, the commercialization of specialized banks, in particular, will be conducted at a much slower pace than expected.

The authoritative source said: The contents of reform in 1995 will primarily be focused on the continuous consolidation of the reform measures introduced this year. Nineteen ninety five will be a crucial year with respect to whether or not the reform of state-owned enterprises, banking, finance, taxation, commodity prices, and so on introduced this year will attain greater development in the years to come. If these reforms can move smoothly without much trouble next year, then relatively more conspicuous economic steps will be taken later. According to an analogy made by the authoritative figure, this year is the sowing season for various reforms, next year will be a period of growth, and 1996 will be the harvest season. In this connection, the slowdown of the pace of reform in some trades next year will postpone the harvest season. Consequently, an uncoordinated reform situation will probably emerge at that time.

Another source in Beijing said that the current situation has not come to an absolute conclusion, as things may change as a result of the growth and decline of various forces. For example, he said that Li Peng is chiefly backed by some "veteran comrades," and his actual strength was considerably affected by the death of Yao Yilin, a senior traditionalist economic official, a few days ago. Of course, if commodity prices can be stabilized in a relatively short time and social security does not deteriorate, then, various reforms will probably be activated once again and will continue to develop in depth and breadth.

Jiang Zemin, Li Peng Attend Yao Yilin Cremation

OW1912134294 Beijing XINHUA in English 1332 GMT 19 Dec 94

[FBIS Transcribed Text] Beijing, December 19 (XINHUA)—Retired Chinese leader Yao Yilin, who died of illness December 11 here at the age of 77, was cremated here today.

Major Chinese leaders including President Jiang Zemin, Premier Li Peng, and other members of the Standing Committee of the Politburo of the Chinese Communist Party Central Committee, bade farewell to him at the Beijing Hospital this morning.

They bowed three times in front of Yao, who was covered with the red flag of the party, and expressed their condolences to his relatives.

Yao was regarded as a distinguished party and government leader, an outstanding proletarian revolutionary and an excellent leader of China's economic work.

XINHUA Carries Yao Yilin Biography

HK2012060094 Beijing XINHUA Domestic Service in Chinese 1201 GMT 18 Dec 94

[FBIS Translated Text] Comrade Yao Yilin, an exemplary leader of the party and state, outstanding proletarian revolutionary, and brilliant economic leader of our country, has passed away. He devoted himself to the revolution for 60 years, holding important leading posts in the party and state for a long time and contributing all his life to the revolutionary cause and construction of the Chinese people. He made important contributions to reform and opening up and the cause of socialist modernization. His was a revolutionary and glorious life.

With his original family home in Anhui Province's Guichi County, Comrade Yao Yilin was born in Hong Kong on 6 September 1917. His father died when he was a child. He then lived with his mother in Jiangsu, Zhejiang, and Shanghai. When he was studying in a senior middle school in Shanghai, he read progressive books and began to study Marxism. In 1934 he was admitted to Qinghua University through examination. Influenced by some underground party members, he joined the CPC's external organization—the Armed Self-Defense Society of the Chinese Nation, thus joining the revolution. In November 1935, Comrade Yao Yilin joined the CPC and became secretary-general of the Peiping [Beijing] Students Association and secretary of the party and Chinese Youth League [CYL] organizations.

Comrade Yao Yilin was one of the main leaders of the "9 December" Anti-Japanese Patriotic Movement. In 1935, after occupying northeast China, the Japanese imperialists began to launch a new aggressive war in north China. The entire north of China was in danger... Under the leadership of the party organization, Yao Yilin, together with Peng Tao, Huang Jing, Guo Mingqiu, and other comrades, organized and directed thousands of patriotic students in Peiping in breaking through the obstructions of the reactionary Kuomintang [KMT] Military Police and hold the "9 December" and "16 December" anti-Japanese demonstrations of patriotic students. Later, they organized the students of Peiping and Tianjin to go southward and go deep among the workers and peasants and the masses of people to carry out propaganda. They exposed the plot of the Japanese imperialists to annex China and gave publicity to the CPC's propositions on resisting Japanese aggression and saving the nation, thus starting a new high tide of the movement to resist Japanese aggression and save the nation.

In May 1936, Comrade Yao Yilin was transferred to Tianjin by the party organization. In the beginning he was an editor of CHANGCHENG [GREAT WALL], a party organ. He was then appointed director of the Propaganda Department and secretary of the Tianjin Municipal CPC Committee, leading the activity of various circles to resist Japanese aggression and save the nation.

In 1937, after the "July 7 Incident," Comrade Yao Yilin was transferred to Hebei and appointed secretary-general and director of the Propaganda Department of the Hebei Provincial CPC Committee. In 1938, he participated in and organized the East-Hebei Uprising. In February 1939, he was appointed director of the Propaganda Department of the CPC Committee of the newly established Hebei-Rehe-Chahar Region, making contributions to the development of the anti-Japanese guerrilla war in eastern Hebei. Beginning in July 1939, Comrade Yao Yilin was transferred to the posts of secretary-general of the Northern Subbureau of the Shaxi-Chahar-Hebei Region and secretary-general of the Central Bureau. Under the leadership of Peng Zhen, Nie Rongzhen, and other comrades, he implemented the instructions of the party Central Committee in a creative way and participated in the drafting of policy decisions and policies relating to the revolutionary bases' party building, power building, and mass work. His work was highly effective.

Beginning in 1946, Comrade Yao Yilin started to take charge of leadership work in economic departments. He was successively appointed deputy director of the financial and economic office of the Shanxi-Chahar-Hebei Border Region, director of the industrial and commercial department of the North China Joint Administrative Committee, and minister of industry and commerce of the North China People's Government. In accordance with the general policy of "developing production and ensuring supplies" put forward by Comrade Mao Zedong for financial and economic work, he did his utmost and made remarkable achievements in the economic development of the north China liberated area and the victory of the Liberation War.

Both in the struggle against the enemy in the white area and in the power construction and economic development in the revolutionary bases, Comrade Yao Yilin firmly and resolutely implemented the party's line, policies, and principles and made great contributions to the Chinese people's liberation cause and the birth of New China.

After the founding of New China, Comrade Yao Yilin was in charge of the State Council's financial and trade departments for a long time. He successively held the posts of vice minister of trade and deputy secretary of the party group in the ministry, vice minister of commerce and deputy secretary of the party group in the ministry, deputy director of the Central Financial and Trade Work Department, deputy director of the State Council's Finance and Trade Office, minister of commerce and secretary of the party group in the ministry, member of the Central Financial and Economic Leading Group, director of the Central Financial, Trade, and Political Department, and deputy secretary of the party committee of the State Council's Financial and Trade Committee. Being in charge of national financial and trade work and a major assistant to the central leading comrades, Comrade Yao Yilin participated in the study,

drafting, and concrete organization work for the implementation of several major state economic policies.

In the period immediately after the founding of the state, China was faced with serious financial and economic difficulties. In order to smash the imperialist blockade and embargo and rehabilitate and develop the national economy, Comrade Yao Yilin did a great deal of pioneering work in various fields, such as establishing state-owned commerce and cooperative commerce; utilizing, restricting, and transforming private industry and commerce; and promoting foreign trade. All this played an important role in establishing the position of state-owned commerce as the main channel in commodity circulation, stabilizing commodity prices in the market, dealing blows at speculative capital, and stabilizing the people's lives.

From 1959 to 1961, China's national economy encountered great difficulties and the markets were short of supplies. Comrade Yao Yilin resolutely implemented the central authorities' policy of "readjusting, consolidating, replenishing, and improving" the national economy and took an active part in the work of readjusting the national economy. He focused his energy on stabilizing the market and making arrangements for the people's lives. He made a conscientious study of the difficult financial and economic situations at that time and put forward his tentative plan on price policy in the stage of readjusting the national economy. This plan was affirmed by Comrade Zhou Enlai. He also created a careful organization for the procurement and rational distribution of nonstaple foods to ensure the most basic supplies for residents in large and medium cities as well as industrial and mining areas.

In 1966, after the "Great Cultural Revolution" started, Comrade Yao Yilin was seriously persecuted. However, he upheld his principles and carried out a tenacious struggle. In November 1973, he was appointed first vice minister of foreign trade. Together with other leading comrades in the foreign trade ministry, he resolutely resisted and struggled against the interfering and sabotaging activities of the "Gang of Four" and made great efforts to find more sources for export goods, introduce advanced technologies and equipment from abroad, and rehabilitate and develop foreign trade. In 1975, in the period when Comrade Deng Xiaoping was in charge of routine work in the Central Committee and the State Council, he firmly carried out the policy of overall consolidation. Shortly after that, in the period of so-called "striking back the right deviationist tendency to reverse correct verdicts," he worked under great difficulties and pressures to continue foreign trade work.

In March 1977, Comrade Yao Yilin was appointed head of the State Council's Financial and Trade Leading Group. In August 1978, he was appointed minister of commerce and secretary of the ministry's party group. Comrade Yao Yilin led the cadres and masses in conscientiously carrying out the struggle against the "Gang of

Four" in order to eliminate its influence, implement the cadre policy, and to rehabilitate unjust, false, and wrong cases. With great enthusiasm, he supported and threw himself into the discussion on the criterion of truth and resolutely opposed the erroneous ideological trend characterized by "two whatevers."

After the Third Plenary Session of the 11th CPC Central Committee, Comrade Yao Yilin was appointed deputy secretary-general of the central authorities and director of the CPC Central Committee General Office. He resolutely supported the second generation of central leadership collective with Comrade Deng Xiaoping at the core, conscientiously implemented the spirit of the Third Plenary Session of the 11th CPC Central Committee, and made positive contributions to the party's work of bringing order out of chaos and realizing a great historical turn. In March 1979, the central authorities decided to establish a financial and economic committee under the State Council. Comrade Yao Yilin was appointed its secretary-general. He assisted Comrades Chen Yun and Li Xiannian in taking resolute measures to correct the mistakes in economic work of the previous two years, conscientiously eliminate the long-existing influences of the erroneous "leftist" trend, and resume the party's good traditions of seeking truth from facts and proceeding from the reality in all cases. He did a great deal of work in readjusting the national economy.

In July 1979, at the Second Session of the Fifth National People's Congress [NPC], Comrade Yao Yilin was appointed vice premier of the State Council, taking charge of economic work. Later, he also concurrently held the posts of director of the State Planning Commission and secretary of its party group, deputy head of the Central Financial and Economic Leading Group, and head of the Central Leading Group for Introducing Foreign Intelligence. He took charge of the drafting and implementation of the Sixth and Seventh Five-Year Plans for national economic and social development and took charge of the drafting of the Eight Five-Year Plan. When drafting the Sixth Five-Year Plan, he emphasized that the plan should be based on the actual national strength and be geared to the needs of the market and the people's lives. Targets should not be set too high and some margin should be left. During the Seventh Five-Year Plan, he repeatedly emphasized the principle that the scale of construction should be suited to the national strength and took charge of the drafting of several stipulations for the industrial policy. In view of the fact that some problems had emerged in China's rapid economic development, he emphasized that it was necessary to curb inflation and maintain a balance between general supply and general demand.

He attached great importance to the construction of key projects and to agricultural development, emphasizing many times the importance of grain production. He took charge of the drafting of certain ideas on reform of the planning structure and the plan for reform of the investment management structure. He repeatedly emphasized

that in the course of developing the socialist market economy, government departments must change their functions both in concept and in work and must make great efforts to strengthen macroeconomic regulation and control and improve harmonization and service work. He took an active part in making and implementing policy decisions for establishing special economic zones and coastal open cities and areas.

At the First Plenary Session of the 13th CPC Central Committee, Comrade Yao Yilin was elected a member of the CPC Central Committee Political Bureau Standing Committee. Taking Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as the guide, he firmly and resolutely implemented the party's basic line of taking economic construction as the center, adhering to the four cardinal principles, and continuing reform and opening up. He made important contributions to strengthening and improving party leadership, maintaining the social and political stability of our country, intensifying reform and further opening up to the outside world, and promoting national economic development.

Comrade Yao Yilin became an augmented alternate member of the Central Committee at the Second Session of the Eighth CPC National Congress. He was an alternate member of the 10th CPC Central Committee, member of the 11th CPC Central Committee and Central Secretariat, member of the 12th CPC Central Committee, Secretariat, and alternate member and member of the Political Bureau, and member of the 13th CPC Central Committee, its Political Bureau, and its Political Bureau Standing Committee. He was also a deputy to the First National People's Congress [NPC], member of the Standing Committee of the Third Chinese People's Political Consultative Conference [CPPCC], and member of the Fourth CPPCC.

After the 14th CPC National Congress and the First Session of the Eighth NPC, Comrade Yao Yilin no longer held leadership posts for the party and state. However, he continued to be concerned with party building, reform and opening up, and economic development. He continued to resolutely support the central leadership collective, with Comrade Jiang Zemin at the core, and the spirit of the resolutions adopted by the 14th CPC National Congress and the Third and Fourth Plenary Sessions of the 14th CPC Central Committee.

In his 60-year revolutionary career, Comrade Yao Yilin gave expression to the lofty sentiment and breadth of vision of an outstanding proletarian revolutionary and the fine qualities of a Communist Party member. He had firm faith in communism and was loyal to, and had boundless love for, the party and the people. He worked conscientiously and devotedly for the revolutionary and construction cause. He always studied Marxist theories very hard and upheld the principle of party spirit and always took a firm and clear-cut stand. He strictly observed party discipline and the norms of political life.

He was realistic and opposed the style of boasting and exaggeration. He was fair and upright, modest and prudent, frank and openhearted, open and above board, and honest in performing his duties. He worked very hard but lived a simple life, proceeding in all cases from the interests of the party and people and giving no thought to personal gains or losses. He maintained close ties with the masses and showed great concern for the growth of cadres. He adopted a democratic work style and was amiable and easy to approach, always preserving the true color of a public servant. He won the respect and love of the vast numbers of cadres and masses.

The death of Comrade Yao Yilin is a great loss for the party and state. We must turn grief into strength, learn from Comrade Yao Yilin's revolutionary spirit and fine characters, rally closely around the party Central Committee, with Comrade Jiang Zemin at the core, follow the party's basic line, and struggle hard in building socialism with Chinese characteristics.

Eternal glory to Comrade Yao Yilin!

Deng Inscribes Title for Nie Rongzhen Biography
OW2012102294 Beijing XINHUA Domestic Service in Chinese 0828 GMT 20 Dec 94

[By reporter Luo Yuwen (5012 3768 2429)]

[FBIS Translated Text] Beijing, 20 Dec (XINHUA)—On the occasion of Marshal Nie Rongzhen's 95th birth anniversary, "Biography of Nie Rongzhen," whose title was inscribed by Deng Xiaoping, has been published by the Contemporary China Publishing House.

The 650,000-character biography truthfully records in detail the brilliant and militant course taken by Nie Rongzhen in converting himself from an ordinary patriotic youth into a firm proletarian revolutionary, outstanding party and state leader, and one of the founders of the Chinese People's Liberation Army. The book depicts in a concentrated way Nie Rongzhen's revolutionary spirit, advanced thinking, fine work style, lofty character, and brilliant contributions. It contains 81 chapters in three parts on his young, middle-aged, and old years. It also contains more than 40 pictures and a chronology of Comrade Nie Rongzhen.

A full-length pictorial "Nie Rongzhen" on Marshal Nie's brilliant life was published at the same time as the biography.

Li Lanqing Urges Deepening Education Reform
OW1912165994 Beijing XINHUA in English 1605 GMT 19 Dec 94

[FBIS Transcribed Text] Beijing, December 19 (XINHUA)—Chinese Vice-Premier Li Lanqing has urged officials at all levels to devote themselves to promoting the reform of the educational system in institutions of high learning to a new stage.

Li made the remark at a national meeting on the restructuring of the higher-learning education system, which closed in Shanghai Sunday [18 December].

He lauded the great achievements the local education departments have made in deepening the reform of education in the past few years.

The vice-premier pointed out that the existing administrative system for higher-learning institutions built in the 1950s has quite a few drawbacks, although it has made great contributions to the development of the national economy and scientific undertakings.

He said that the current reform of education should focus on optimization of the structure of higher learning by combining the separate disciplines and courses to meet the demands of economic reform.

The main task of the education reform is to streamline the relations between government and schools, between the central government and the localities and between the State Education Commission and other ministries, in order to build a society-oriented, self-governing education system, Li said.

Conference on Personnel, Organizational Reform

SK1912234694 Beijing XINHUA Domestic Service in Chinese 1635 GMT 16 Dec 94

[By RENMIN RIBAO reporter Zhang Yan (1728 0917) and XINHUA reporter Liu Siyang (0491 1835 2254): "The National Conference of Personnel Bureau Directors and the National Conference of Organization Office Chairmen Set a Requirement for Establishing Administrative and Personnel Management Systems in Coordination With the Market Economic System"]

[FBIS Translated Text] Beijing, 16 Dec (XINHUA)—The national conference of personnel bureau directors and the national conference of organization office chairmen, sponsored in Beijing on 16 December, set a requirement for taking Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the basic line of the party as guidance to accelerate the setup of an administrative management system and a personnel management system in coordination with the market economic system.

It is reported that this year the personnel departments and the organization departments at various levels have done a lot of work and made gratifying achievements in taking the economic construction as a center, working in line with the goal of setting up the socialist market economic system, and serving the economic construction and social development, the employment units, and talented persons of various categories. Based on the achievements made in 1993, this year we have made new headway in organizational reform. The work of defining the functions, number, and size of the central-level organs has basically been accomplished. The local organs

from higher levels downward have conducted organizational reform one after another. Preliminary achievements have been made in streamlining administration. Last year, we registered the slightest increase in the number of personnel. The reform of the personnel system with the main content of carrying out the public service system is being carried out comprehensively. All departments and units under the State Council have comprehensively entered the stage of carrying out the public service system. The majority of the provinces, autonomous regions, and municipalities have worked out plans for implementing this system. The reform of the wage systems among organs and institutions and the reform of the social insurance system are progressing smoothly. Appropriate achievements have been made in setting up the markets for talented persons and the construction of the specialized and technical personnel contingents.

At the conferences, Song Defu, minister of personnel and chairman of the central structural office, made a speech entitled "Go Into Action in the Major Situation and Make Developments in the Course of Reform." He said: The 1995 personnel work guiding ideologies and the 1995 major personnel tasks are as follows: Persistently take Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as guidance; work in line with the goal of establishing an administrative management system and a personnel management system in coordination with the socialist market economic system; work according to the reform ideas of setting up and perfecting "three systems and three structures"; combine the package reform with breakthroughs in key areas, firm implementation, pioneering performances, and blazing of new trails; and promote the in-depth progress of the implementation of different categories of personnel management systems. Comprehensively carry out the public service system in line with the organizational reform. On the basis of well grasping the pilot work and summing up experiences, enterprises and institutions should gradually reform their personnel systems. We should focus our efforts to complement and perfect the new wage system. We should positively and steadily carry out the trial reform of the social insurance system among organizations and institutions. We should strengthen the construction of the specialized and technical personnel contingents focusing on cultivating the talented persons spanning this century and the next. We should comprehensively accomplish the organizational reform task. We should make the personnel and organization work better suit the demands for national economic construction and social development and promote the development of social productive forces, the harmonious progress of nationalities, and the social stability and unity.

Present at the conferences were Li Guixian, state councillor and vice chairman of the central organization committee; directors of the provincial, autonomous regional, and municipal personnel departments and bureaus; chairmen of the provincial, autonomous

regional, and municipal structural offices; and responsible persons of the departments concerned under the central and state organs.

NPC Concludes Inspection of Beijing, Tianjin

SK2012043994 Beijing XINHUA Domestic Service in Chinese 1930 GMT 19 Dec 94

[By reporter Wu Hongxiao (0702 4767 2556)]

[FBIS Translated Text] Beijing, 12 Dec (XINHUA)—The deputies of the National People's Congress [NPC] in Beijing shortly concluded the concentrative inspection of Beijing and Tianjin before the convocation of the Third Session of the Eighth NPC, on 19 December. On the afternoon of 19 December, Chen Xitong, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing Municipal Party Committee, Li Qiyang, mayor of Beijing Municipality, and Zhang Jianmin, chairman of the Beijing Municipal People's Congress Standing Committee, talked with NPC deputies on the situation of inspection.

During the eight-day inspection tour, these NPC deputies listened to reports made by Liu Zhongli, minister of finance, Luo Zhiling, vice minister of the State Planning Commission, Wang Zhongyu, minister of the State Economic and Trade Commission, and Wang Baosen, executive vice mayor of the Beijing Municipality, on the current economic situation, on the in-depth reform of large and medium-sized state-owned enterprises, on the reform of financial and tax systems and the maintenance of market order, and on the strengthening of urban administration. These deputies also went down to a dozen of grass-roots units, including the industrial, urban construction, commercial, and scientific and technological units as well as suburban areas of Beijing, and the Tianjin Municipal Economic and Technological Development Zone to conduct inspection. During the inspection, deputies talked with local cadres and masses on the current development situation in the fields of industry, agriculture, commerce, urban construction, and science and technology and on some issues of common concern to the masses. These deputies also offered opinions and proposals to departments concerned.

The current inspection tour is introduced as having been organized in line with the demand of the General Office of the NPC Standing Committee, primarily devoted to making deputies understand the situation in implementing the 1994 economic and social development plans and financial budgets, the situation in agricultural production and rural economic development, and the situation in executing the laws for maintaining market order, in order to make preparations for participating in the Third Session of the Eighth NPC, that will be held in 1995.

Wang Dan 'Left Home' To Avoid Security Tail

HK2012033294 Hong Kong MING PAO in Chinese 20 Dec 94 p B1

["Special report": "Wang Dan Leaves Home To Avoid Public Security Officers' Tailing"]

[FBIS Translated Text] Wang Dan, former leader of the Beijing student movement, "left home" last Wednesday for an unknown place in Beijing to avoid public security officers' tailing. His mother Wang Lingyun is quite worried about his safety.

This year, prior to the fifth anniversary of the 4 June movement, public security officers began to closely tail Wang Dan and put him under strict surveillance. Being unable to bear the harassment, at the end of last month he filed a lawsuit with the court against the violation of his personal freedom by the Ministry of Public Security but there has been no improvement so far. There were public security officers in front of his house from morning till night and when he went out, public security officers closely followed him.

During a long-distance telephone interview with MING PAO yesterday, Wang Lingyun indicated that Wang Dan left home on the morning of last Wednesday and will stay away from home for some time to avoid public security officers' tailing. His mother believed that Wang Dan was still in Beijing but did not know his whereabouts.

Last night Wang Dan telephoned home saying that he was safe but his mother is quite worried about his safety. She said the weather had turned severely cold in Beijing over the last few days adding that this made her even more worried about her son's health.

Court Orders Execution of Liquor Producers

OW1912152394 Beijing XINHUA in English 1449 GMT 19 Dec 94

[FBIS Transcribed Text] Beijing, December 19 (XINHUA)—At the order of China's Supreme People's Court, four people charged with selling adulterated liquor were executed today in three Chinese provinces.

More than 120 people were poisoned by the liquor, which was made from alcohol or methanol for industrial use. Among them, 15 people died and three were seriously injured.

Forty-year-old Chen Yingzhi and his wife ran a grocery in Sichuan Province, where they also sold liquor. On March 1 this year Chen bought 351.5 kg of methanol from a local chemical plant. From this he made 390 kg of liquor with 75 kg of methanol. In the next couple of weeks eight cases of poisoning were reported in surrounding townships, and the cause was traced to the liquor.

Among the victims, eight people died and one suffered blindness.

Tests by local public health departments showed that the content of methanol in Chen's liquor was 130 times higher than the state-permitted standard.

Meanwhile, in central China's Hubei Province Pi Cheng-gang contracted the management of a village liquor factory in January this year, and began making liquor with industrial alcohol as a means for profiteering.

On March 11 a local villager bought 32 kg of the liquor for his son's wedding celebrations. During the celebrations, 37 people were poisoned by Pi's liquor, and two later died.

The next day nine people from a local farm were also poisoned by Pi's liquor, one of whom died.

The other two who were executed today, Chen Xinguo and Li Jianhai, were from Zhoukou City in central China's Henan Province.

Chen Xinguo, director of a local chemical plant, purchased 3,800 kg of methanol from a private businessman in June last year, and resold it as potable alcohol to local retailers.

Li Jianhai, a local farmer, bought 600 kg of the alcohol to make liquor, knowing that the alcohol was dangerous.

Five peddlars bought the liquor from Li, resulting in 16 poisoning cases, in which four people died and one became blind.

Liu Jiachen, vice-president of the Supreme People's Court, said that the production and selling of poisonous food and drink can cause severe damage to society, and the court will spare no efforts to crack down on criminals in this regard.

State Council, Officials Discuss Karamay Fire

OW1912155894 Urumqi Xinjiang Television Network
in Mandarin 1330 GMT 14 Dec 94

[Announcer-read report; from the "Xinjiang News" program]

[FBIS Translated Text] Karamay city held a meeting of middle-level cadres on the afternoon of 12 December. Xu Zhijian, deputy secretary general of the State Council; and Wang Lequan, acting secretary of the Xinjiang regional party committee, gave important speeches on the 8 December fire incident.

Xu Zhijian said: We must concentrate our efforts to swiftly and accurately determine the causes of the incident, clearly determine who is responsible, and hold them accountable. After the incident, public security, fire, and judicial departments conducted careful investigations and research and have come to a preliminary conclusion on the nature of the incident. The incident was a grave one caused by negligence. Specifically, the

person in charge of the Friendship Hall in Karamay city, where the fire broke out, was found to be bureaucratic, negligent of duty, and guilty of malfeasance. He refused to abide by state laws on safety and fire prevention and ignored the advice of the fire department. After a fire broke out, he failed to take steps to remove the hidden peril of fire. He also sent away two electricians just before the staging of the show and hired a person who knew nothing about electricity to take care of the power supply. In particular, he had all exit doors locked before the show was staged.

When the fire broke out, there was only one exit left unlocked. However, the shutter door for that exit was not operable due to a power outage, thereby resulting in the tragic disaster. Based on a preliminary determination of the causes by the public security and judicial departments, persons in charge of the Friendship Hall and the Cultural and Arts Center were arrested or temporary detained. In addition, the organizer and sponsor of the report-back performance also could not escape responsibility because of their unsound plan and lack of fire prevention awareness and measures. Leaders of Xinjiang's Oil Bureau, departments responsible for safety and fire prevention, and the regional Education Commission's bi-level supervision department should also be held accountable for their lack of a strong sense of safety awareness and for doing a poor fire prevention job.

Xu Zhijian continued: We must concern ourselves with the livelihood of the masses and appropriately take care of the problems they encountered in their daily life. Leading cadres should strengthen their spirits; ensure oil production; safeguard social stability; and maintain normal production, living, and social order. We must learn from the incident and remove hidden perils to prevent a recurrence of the same tragedy.

In his speech, Wang Lequan said: The disastrous fire incident exposed the serious problems in Karamay city's fire prevention and safety work. It also brought to light the weakness of the region's safety work. This bloody lesson will never be forgotten.

Wang Lequan said: In accordance with the demands of the CPC Central Committee, the State Council, and the masses, we must deal with persons directly responsible for the incident strictly and in accordance with the law. Furthermore, persons in leadership positions should also be dealt with in accordance with party and political discipline. Of course, everything should be done according to legal and organizational procedures. We must strictly adhere to the policy of relying on facts and acting in accordance with the law and party and political discipline. While avoiding implicating the innocent, we must not safeguard the guilty.

Military

Armed Police To Carry New Identity Certificates

HK1912142894 Beijing ZHONGGUO XINWEN SHE
in English 1214 GMT 19 Dec 94

[FBIS Transcribed Text] Beijing, December 19 (CNS)—Starting from January 1, 1995, civil and military officers

regional, and municipal structural offices; and responsible persons of the departments concerned under the central and state organs.

NPC Concludes Inspection of Beijing, Tianjin

SK2012043994 Beijing XINHUA Domestic Service in Chinese 1930 GMT 19 Dec 94

[By reporter Wu Hongxiao (0702 4767 2556)]

[FBIS Translated Text] Beijing, 12 Dec (XINHUA)—The deputies of the National People's Congress [NPC] in Beijing smoothly concluded the concentrative inspection of Beijing and Tianjin before the convocation of the Third Session of the Eighth NPC, on 19 December. On the afternoon of 19 December, Chen Xitong, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing Municipal Party Committee, Li Qiyang, mayor of Beijing Municipality, and Zhang Jianmin, chairman of the Beijing Municipal People's Congress Standing Committee, talked with NPC deputies on the situation of inspection.

During the eight-day inspection tour, these NPC deputies listened to reports made by Liu Zhongli, minister of finance, Luo Zhiling, vice minister of the State Planning Commission, Wang Zhongyu, minister of the State Economic and Trade Commission, and Wang Baosen, executive vice mayor of the Beijing Municipality, on the current economic situation, on the in-depth reform of large and medium-sized state-owned enterprises, on the reform of financial and tax systems and the maintenance of market order, and on the strengthening of urban administration. These deputies also went down to a dozen of grass-roots units, including the industrial, urban construction, commercial, and scientific and technological units as well as suburban areas of Beijing, and the Tianjin Municipal Economic and Technological Development Zone to conduct inspection. During the inspection, deputies talked with local cadres and masses on the current development situation in the fields of industry, agriculture, commerce, urban construction, and science and technology and on some issues of common concern to the masses. These deputies also offered opinions and proposals to departments concerned.

The current inspection tour is introduced as having been organized in line with the demand of the General Office of the NPC Standing Committee, primarily devoted to making deputies understand the situation in implementing the 1994 economic and social development plans and financial budgets, the situation in agricultural production and rural economic development, and the situation in executing the laws for maintaining market order, in order to make preparations for participating in the Third Session of the Eighth NPC, that will be held in 1995.

Wang Dan 'Left Home' To Avoid Security Tail

HK2012033294 Hong Kong MING PAO in Chinese 20 Dec 94 p B1

["Special report": "Wang Dan Leaves Home To Avoid Public Security Officers' Tailing"]

[FBIS Translated Text] Wang Dan, former leader of the Beijing student movement, "left home" last Wednesday for an unknown place in Beijing to avoid public security officers' tailing. His mother Wang Lingyun is quite worried about his safety.

This year, prior to the fifth anniversary of the 4 June movement, public security officers began to closely tail Wang Dan and put him under strict surveillance. Being unable to bear the harassment, at the end of last month he filed a lawsuit with the court against the violation of his personal freedom by the Ministry of Public Security but there has been no improvement so far. There were public security officers in front of his house from morning till night and when he went out, public security officers closely followed him.

During a long-distance telephone interview with MING PAO yesterday, Wang Lingyun indicated that Wang Dan left home on the morning of last Wednesday and will stay away from home for some time to avoid public security officers' tailing. His mother believed that Wang Dan was still in Beijing but did not know his whereabouts.

Last night Wang Dan telephoned home saying that he was safe but his mother is quite worried about his safety. She said the weather had turned severely cold in Beijing over the last few days adding that this made her even more worried about her son's health.

Court Orders Execution of Liquor Producers

OW1912152394 Beijing XINHUA in English 1449 GMT 19 Dec 94

[FBIS Transcribed Text] Beijing, December 19 (XINHUA)—At the order of China's Supreme People's Court, four people charged with selling adulterated liquor were executed today in three Chinese provinces.

More than 120 people were poisoned by the liquor, which was made from alcohol or methanol for industrial use. Among them, 15 people died and three were seriously injured.

Forty-year-old Chen Yingzhi and his wife ran a grocery in Sichuan Province, where they also sold liquor. On March 1 this year Chen bought 351.5 kg of methanol from a local chemical plant. From this he made 350 kg of liquor with 75 kg of methanol. In the next couple of weeks eight cases of poisoning were reported in surrounding townships, and the cause was traced to the liquor.

Among the victims, eight people died and one suffered blindness.

Tests by local public health departments showed that the content of methanol in Chen's liquor was 130 times higher than the state-permitted standard.

Meanwhile, in central China's Hubei Province Pi Cheng-gang contracted the management of a village liquor factory in January this year, and began making liquor with industrial alcohol as a means for profiteering.

On March 11 a local villager bought 32 kg of the liquor for his son's wedding celebrations. During the celebrations, 37 people were poisoned by Pi's liquor, and two later died.

The next day nine people from a local farm were also poisoned by Pi's liquor, one of whom died.

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Chen Xinguo, director of a local chemical plant, purchased 3,800 kg of methanol from a private businessman in June last year, and resold it as potable alcohol to local retailers.

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Xu Zhijian continued: We must concern ourselves with the livelihood of the masses and appropriately take care of the problems they encountered in their daily life. Leading cadres should strengthen their spirits; ensure oil production; safeguard social stability; and maintain normal production, living, and social order. We must learn from the incident and remove hidden perils to prevent a recurrence of the same tragedy.

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Military

Armed Police To Carry New Identity Certificates

HK1912142894 Beijing ZHONGGUO XINWEN SHE
in English 1214 GMT 19 Dec 94

[FBIS Transcribed Text] Beijing, December 19 (CNS)—Starting from January 1, 1995, civil and military officers

of the armed police force in China are instructed to use certificates for their official positions when they perform their official duties.

In order to further strengthen control on use of such certificates and guard their sanctity, the Ministry of Public Security and the Headquarters of the Chinese People's Armed Police Force have respectively issued circulars on the change of certificates for official positions of the Chinese People's Armed Police Force's current civil and military officers.

The cover of the new certificates will be dark green in colour instead of present dark green. Another difference between the new and old certificates is that the validity limit for use of the new ones is fixed at four years. When the new certificates go into effect on January 1, next year, the old ones will be abolished at the same time.

Editorial Stresses Discipline in Army

HK1912141594 Beijing JIEFANGJUN BAO in Chinese
11 Dec 94 p 1

[Editorial: "Important Measure for Running Army With Strict Discipline"]

[FBIS Translated Text] With the new year about to set in, the Central Military Commission [CMC] has adopted the "Resolution on Improving Management and Education of Armed Forces." This is an important measure to ensure our armed forces will earnestly put into practice Comrade Deng Xiaoping's concept of army-building in the new period and will meet the general requirements advanced by Chairman Jiang that "the Army must be qualified politically and competent militarily, have a fine work style, adhere to strict discipline, and be ensured of adequate maintenance and supplies" in order to promote army building in a comprehensive way and further consolidate and enhance combat effectiveness.

Management and education is a task of overall and fundamental nature in army building. Our Army's history has repeatedly proved that strict management effectively helps boost fighting capacity. Under the new historical conditions, improving management and education is of special importance. Improving the Army's quality and implementing a strategy for the new period calls for better management and education. Reform and opening up, the setting up of a socialist market economy, and the comparatively peaceful environment over a long period have created many new conditions for our educational work, placed before our educational workers new problems, and call for updating educational work and making educational work more demanding. Vigorously improving the management and education of our armed forces is designed to serve the overall interests of the party and the country; to maintain a high degree of stability, centralization, and unity in the Army; and to turn our Army into a modernized and revolutionary regular army. The "Resolution" made a comprehensive analysis of the situation in the task of army building and

of the present state of the Army's management and education and clearly outlined and stipulated the basic tasks, focal points, and standards for managerial and educational work, as well as measures and requirements for conducting managerial and educational work.

The "Resolution" brought to light the objective laws governing administrative and educational work in the new period and provided a correct guideline for conducting administrative and educational work in the Army. This will not only play an important guiding role in the current administrative and educational work in the Army, but will have a far-reaching impact on long-term army building in the peaceful period. Leaders at all levels must, in the overall interest of army building, acquire a thorough understanding of the great significance of the "Resolution" and do a good job in implementing the "Resolution" out of their strong sense of responsibility to the people and with all earnestness.

The "Resolution" also stressed the need to run army units according to the nature and aims of the People's Army. In the long revolutionary struggle, our Army's administrative and educational work has formed a set of fine traditions. These fine traditions give specific play to the nature and aim of the People's Army, are a scientific summation of practical experience in strengthening our Army through administration and education, and are basic requirements for running the Army. It is important to carry forward these fine traditions, because they will help enhance a sense of discipline among officers and men, resist the influence of various unhealthy factors, cultivate a fine style, establish close officer-men and Army-people relations, increase the rallying force, and enhance the Army's combat effectiveness.

During the new historical period, although there have been great changes in our environment, the nature and aim of our Army remain unchanged, as do the principles of army building, the basic functions of our Army, and the fine traditions of our Army. Therefore, to improve the administration and education of our armed forces, we must continue to conduct education in our fine traditions among officers and men so that they will know well the contents of the fine traditions, understand the importance and urgency of carrying forward the fine traditions, and then act according to the fine traditions. At the same time, while carrying forward the fine traditions, it is necessary to study new conditions, solve new problems, and create new methods of administering and educating the troops, especially learning and assimilating modern management techniques to make our administrative and educational work more scientific and effective.

To improve management and education, we must continue to run the Army with strict discipline according to the law and carry out relevant ordinances and regulations to the letter. It is necessary to resolutely defend the authority and inviolability of various ordinances, rules, and regulations applicable to the Army and to use them

to standardize the behavior of the leadership, offices, and Army units and to ban any "local laws and regulations" so that the "Army will come under unified command and unified establishment, identical rules and discipline will apply throughout the Army, and training will be conducted under a unified plan." It is essential to enhance the sense of discipline among officers and men and their awareness of the need to obey orders and to check misbehavior by individual units or individuals who disregard orders and bans from the top so that orders will be obeyed in all the Army's actions.

Efforts should be made to enhance officers and men's readiness to enforce ordinances and regulations and to overcome anarchy in administration and education so that ordinances and regulations will be observed by everyone, in everything, at all times, and in any place and that a regular order for the task of preparing for war, training, work, and daily life will be established. In the meantime, we must further supervise and check on the work of running the Army according to the law. To sum up, we must constantly improve the regularized management of the armed forces through rigorously implementing ordinances and regulations.

Officers play a key role in doing a good job of managing and educating the armed forces in the new period. While inspecting Army units recently, Chairman Jiang pointed out on many occasions: To strengthen army building in an all-round way, it is necessary to stress the need to hold every level responsible for the next level down to accomplish tasks in various fields. All levels of officers are managers as well as commanders. Their quality and state of mind and how they play their role determine the results of administrative and educational work. Therefore, we must enhance their devotion to their work and their sense of responsibility and raise their ability to manage and lead troops so that they will be willing to, dare to, and able to do their work.

Officers at all levels must, out of their strong sense of responsibility to army building, manage to do their administrative and educational work well, carry forward our Army's fine traditions with respect to administration and education, and make great efforts to learn modern management techniques and explore new management methods to improve their ability and their managerial ability and do a good job of leading the troops. The managerial ability of the large numbers of officers should be improved in various ways including educational reform of the military academies and colleges, in-service training, and the passing on of experience to young officers by veteran officers.

Administrative and educational work is practical and difficult work, which calls for painstaking efforts. Leaders at all levels must, in accordance with the demands laid down in the "Resolution" and taking into account the actual conditions of their own units, draw up a long-term plan and make earnest arrangements. They must make vigorous efforts to solve key problems, lay a

sound foundation, and strive for efficiency. They must overcome formalism and take tangible measures to improve administration and education. They must integrate the "Resolution," the "Program for Strengthening Army Units at the Basic Level," and work in all fields related to army building. Leaders and offices at all levels must set an example in implementing the "Resolution." They must do their work effectively and in a down-to-earth manner to improve the regularized management of the Army and to maintain our Army's image as a mighty and civilized army.

CMC on Strengthening Army Management

HK1912135094 Beijing JIEFANGJUN BAO in Chinese
11 Dec 94 p 1

[By Ren Yanjun (0117 3601 6511): "With Approval of CMC (Central Military Commission) Chairman Jiang Zemin, 'CMC's Resolution on Improving Management and Education of Armed Forces' Is Promulgated for Implementation Army Wide"]

[FBIS Translated Text] Beijing, 9 Dec (JIEFANGJUN BAO)—With the approval of Central Military Commission Chairman Jiang Zemin, the "Resolution of the CMC on Improving Management and Education in the Armed Forces" was promulgated for implementation a few days ago.

The "Resolution" clearly pointed out that improving administration and education of the armed forces is essential to army building. The work is of fundamental and overall nature and provides an important guarantee for consolidating and improving the Army's fighting capacity. Under the new historical conditions, all levels of leadership must arrive at a full understanding of the importance and urgency of improving the management and education of our troops and making the work a success. The "Resolution" set forth the basic tasks and demands for the administration and education of Army units in the present and future period as follows: Guided by Mao Zedong's military thinking, the armed forces must earnestly put into practice Comrade Deng Xiaoping's concept of army building in the new period. They "must be qualified politically and competent militarily, have a fine work style, adhere to strict discipline, and be ensured of adequate maintenance and supplies," as required by Chairman Jiang Zemin. It is necessary to inherit and carry forward our Army's fine traditions, administer Army units strictly according to the law, and make concentrated efforts to manage officers and men well under the new situation by measuring their performance in terms of their combat effectiveness and by tightening discipline, with the central task being emphasis on personnel management so as to constantly improve regularized management; maintain our Army's favorable image as a mighty and civilized army; ensure a high degree of stability, centralization, and unity in the Army; and always preserve the essential quality of the People's Army.

The "Resolution" stressed that the basic task of improving management and education of the armed forces under the new situation is to inherit and carry forward our Army's fine traditions and uphold the requirements and aims of the People's Army. Our Army's fine traditions, which find expression in administration and education, are mainly: obeying orders; unity between officers and men, respect for cadres, and cherishing soldiers; expanding democracy and relying upon the masses; setting strict demands and meting out proper awards and penalties; settling questions of an ideological nature by the methods of persuasion and education and by arousing consciousness; setting of examples by cadres; being united, alert, earnest, and lively; supporting the government and cherishing the people and unity between the Army and the people; and so on. These fine traditions are fundamental requirements for running armed forces and they must be inherited and carried forward in line with the new situation. It is necessary to tell the large numbers of officers and men the contents of the fine traditions and all levels of leading cadres are duty-bound to pass on experiences, give help, and set an example in carrying them forward.

The "Resolution" stressed the need to set strict demands on the armed forces according to the law and to improve regularized management. Leadership at all levels must be fully prepared to run troops with strict discipline according to the law, resolutely putting an end to loose management, slack work style, and lax discipline. It is essential for officers and men to heighten their sense of discipline and to strictly obey orders and observe prohibitions. We must implement ordinances, regulations, and rules to the letter and combat bad practices particular to guerrilla forces. We must not do as we please and neither work in rush nor get into a muddle. We must defend the authority and inviolability of ordinances and regulations. To run the armed forces with strict discipline, the leadership must be strict with themselves and set an example. It is necessary to improve the supervisory discipline system and bring into full play the supervisory role of organizations, rules, and regulations, as well as the masses. Leaders who have covered up undisciplined activities and concealed what they know about cases must be investigated to determine their culpability.

To improve the management and education of the armed forces, cadres must have a strong sense of responsibility and quality equal to the job. The "Resolution" called for efforts to strengthen the education, management, and supervision of cadres to enhance their devotion to their work. Officers who are good at running Army units and have made outstanding achievements in this respect must be commended on a wide scale and promoted before others, those who have performed their duties in a perfunctory manner must be criticized, and those who have refused to mend their ways despite repeated admonition or have seriously neglected their duties resulting in undesirable consequences must be prosecuted with all earnestness. Military academies and colleges of all sorts at all levels, command academies and

colleges in particular, should make cultivating students' ability in management and education their basic task in training qualified managerial and commanding personnel for the armed forces.

Our army building has entered a new stage. The "Resolution" called on leaders at all levels to study the new situation, solve new problems, arrive at a full and correct understanding of the governing laws and the characteristics of management and education under the new situation, solve problems arising from management and education in a timely fashion, and learn and apply modern management knowledge to better adapt management and education to the ever-changing situation.

The "Resolution" pointed out that improving the management and education of our armed forces is the common duty of all levels of party committees, leaders, and offices. Party committees must regard management and education as their routine work, attach importance to the work, and exercise unified leadership. The most senior military and government leaders must take full charge of management and education and all offices and departments must provide support and extract efforts from all quarters to make the job a success. It is necessary to divide management responsibility among different levels of leadership to make leadership work more scientific and efficient. It is necessary to follow a correct ideological guidance for educational work, improve the work style of the leadership, and carry out the party's policies in a down-to-earth manner.

Through practical and effective efforts, we should make the following the order of the day: Personnel of all types at all levels should fulfill their duties; orders should be obeyed and prohibitions observed; ordinances, rules, and regulations should be implemented; preparations against war, training, work, and daily life should be in order and standardized; healthy practices should prevail among Army units; officers and men should be closely united and their morale should be high; army-people relations should be harmonious; military equipment should be kept in good shape and the relevant work should be done in a scientific, systematic, and regular way; mess arrangements should be handled well and servicemen's material and cultural lives guaranteed; tasks should be fulfilled satisfactorily; accidents should be few; and Army units should be safe and stable.

Economic & Agricultural

PRC To Enforce Intellectual Property Rights

HK2012061694 Hong Kong SOUTH CHINA MORNING POST (TECHNOLOGY POST) in English 20 Dec 94 p 1

[FBIS Transcribed Text] Chinese officials are to wage a new nationwide crackdown against violators of computer software intellectual property rights with law enforcement authorities ordered to confiscate all pirated products and tougher penalties to be imposed on

offenders. The three-month campaign, due to start in mid-December, was announced in Shanghai during one of a series of seminars organised by the Business Software Alliance (BSA), in co-operation with local software associations and authorities in Shanghai, Guangzhou and Shenzhen.

The enforcement campaign is to be a concerted effort by the relevant authorities, including the National Copyright Administration and the State Administration for Intellectual Copyrights. As part of the campaign, the Shanghai authorities will establish an association for the protection of intellectual property rights and undertake a series of raids on suspected infringers. Guangzhou and Shenzhen authorities have also announced similar actions.

"The BSA is pleased to have the opportunity to conduct educational efforts in three of China's most important and expanding commercial areas," Stephanie Mitchell, BSA Vice President for China, said. The principal concern of the software industry was the alarming increase in the quantity of pirated compact-disc-read-only memory (CD-ROM) software originating from China, she said. However, all forms of software piracy are rampant in China, as demonstrated by the country's software piracy rate, which the BSA estimates conservatively at 94 per cent. China has until December 31, 1994 to comply with a list of requests by the US on protection of intellectual property rights or face punitive tariffs.

Valerie Colbourn, BSA Vice President for Hong Kong, said: "The effects of China's rampant software theft have spread far beyond the pirates and the software companies. This piracy, if continued unchecked, may seriously threaten China's international political and business relations."

New Provisions Given on Duty-Exempt Imports

HK2012081494 Hong Kong CHING CHI TAO PAO No 46 in Chinese, 21 Nov 94 p 29

[From "China Economic News" Column: "New Provisions on Preferential Policies for Imported Goods in Zones Open to the Outside World"]

[FBIS Translated Text] The state's General Administration of Customs has recently declared that new provisions have been made in preferential policies for some goods imported by organizations or enterprises in zones open to the outside world. According to the new regulations, exemption from import duty may apply to:

- 1) Equipment, apparatus, meters, and instruments which are crucially required for the innovation of existent technology but are either out of production or in short supply domestically, as well as other indispensable parts and components;
- 2) Seeds, seedlings, stud stocks, fodder, and protective medicines for animals and plants which are being imported for the development of projects which rural

organizations in open cities and counties are engaged in for processing agricultural produce or products for export, and agricultural produce processing equipment and other indispensable technologies and equipment, which are not supplied domestically or are to be imported with a view to boosting the production of agricultural produce or products for export;

- 3) Equipment and construction plant imported for the production and management of foreign-funded enterprises by overseas investors as part of their contribution; imported raw materials, components, spare parts, and packaging material to be actually used in the production of goods for export; a reasonable number of vehicles and office goods to be used by foreign-funded enterprises the value of which is within the total amount of foreign investment; and articles which are indispensable for the relocation of overseas investors and overseas staff as well as a reasonable number of vehicles for their own use;

- 4) Products produced by foreign-funded enterprises (excluding those products the import and export of which is restricted by the State) are exempt from export duties.

Measures Given for Raising Electromechanical Exports

HK2012064994 Hong Kong CHING CHI TAO PAO No 45 in Chinese 14 Nov 94 p 29

[From "China Economic News" column: "New Measures for Boosting Electromechanical Exports"]

[FBIS Translated Text] In order to ensure continued and stable growth of electromechanical exports, relevant departments under the State Council have recently formulated new policies to boost exports of electromechanical products. The highlights of the new measures are as follows:

1. Continued efforts should be made in applying the method of fixing wages to a floating proportion of the increased amount of foreign exchange generated by electromechanical products exporting enterprises. Within the framework of the method formulated by the Ministry of Foreign Trade and Economic Cooperation, one coefficient is to be added to the wage-fixing rate originally applied to the said enterprises.
2. Continued efforts are to be made to speed up the authorization of manufacturers of electromechanical exports to handle foreign trade.
3. A special state-operated import and export credit bank is to be set up to support exports of electromechanical plant. Meanwhile, long-term credits are to be increased to 5 billion yuan and \$250 million respectively this year.
4. A sum of \$200-300 million will be earmarked each year for foreign exchange loans to finance the importation of materials and components required for electromechanical exports.

5. A sum of 600 million yuan will be earmarked each year for loans to finance technological innovation related to electromechanical exports manufacturing, and the loans will be increased appropriately with the expansion of the national scale of technological transformation.

6. Relevant policies are to be made more definite to simplify formalities handled by special personnel in applying to promote sales and perform services abroad for electromechanical exports.

7. Continued efforts are to be made to encourage electromechanical exporting enterprises to establish overseas service stations and assembly works.

8. The People's Bank has expressly endorsed the proposal to extend loans to electromechanical exports manufacturers as working funds. Other related banks are required to increase their loans commensurate with the export growth achieved by the said enterprises.

9. In making use of commercial loans acquired from overseas, the state is prepared to increase its investment in electromechanical products exporting enterprises.

Using Foreign Funds in Electric Power Sector

HK2012064094 Hong Kong CHING CHI TAO PAO No 45 in Chinese 14 Nov 94 p 28

[From "China Economic News" column: "Four Principles for Utilizing Foreign Capital in Electric Power Construction"]

[FBIS Translated Text] Shi Dazhen, head of the Ministry of Electric Power, recently pointed out that the utilization of foreign capital in electric power construction will follow the four principles stated below:

First, the magnitude of foreign capital to be used shall agree with the local macroeconomic level, prices of electric power should be considered affordable to various sectors, and key power plants shall be under the control of Chinese investors in terms of the proportion of shares;

Second, investment returns should not be fixed in advance, while possible benefits and risks should be shared between foreign and Chinese investors;

Third, sales volumes and price levels shall be subject to the guarantee of the local government;

Fourth, projects involving foreign investment shall be included in state investment plans, projects scale scheme, and foreign exchange financing plans respectively.

During the next seven years, China will install additional large and medium-sized generating units with a total capacity of 130 million kw, which will require a fixed investment of 650 billion yuan, according to a program

drawn up by the Ministry of Electric Power. The program involves a proposal to import generating equipment with a total capacity of 45 million kw, which will require a total of \$25 billion in foreign capital.

Booming Securities Sales Bring Major Changes

OW2012075894 Beijing XINHUA in English 0729 GMT 20 Dec 94

[FBIS Transcribed Text] Shanghai, December 20 (XINHUA)—A booming trade in securities in China over the past few years has brought major changes to the country, a financial expert in east China's Shanghai said.

Wei Wenyuan, General Manager of the Shanghai Securities Exchange Center, said that the booming securities business has helped develop finance businesses, accelerated nationwide capital flow, and helped expand related businesses.

The fledgling securities trade in Shanghai has given great help to the city's becoming an international economic, financial, and trade center, mainly through issuing "B" shares to overseas buyers, said the 36-year old manager.

Shanghai was a financial center in the Far East in the 1930s and 1940s. Securities transactions were suspended for more than 30 years after 1949, but restarted in 1990 when the Shanghai Securities Exchange Center was founded.

The booming securities trade in Shanghai has greatly changed the way money moves in China. In the past, capital used to flow only within a certain administrative area whereas now securities-holders in 15 provinces and municipalities can conduct transactions through the computer.

"Even a Tibetan high on the Tibetan Plateau can participate in transactions via a satellite network," he said. "Each day, several billion yuan flow thanks to our center."

Securities fever has also hit other sectors and affected them, such as reforming state-owned enterprises, the spread of information, and fast growth of telecommunications via satellite and optical fibers.

About 40 percent of the income of the Shanghai Telephone Bureau came from long distance telephone calls used in securities transactions, Wei quoted sources at the telephone bureau as saying.

In addition, taxes from securities transaction have also increased rapidly. The Shanghai Securities Exchange Center has become a leading tax payer in the city, according to the general manager.

China now has two stock exchanges—one in Shanghai and the other in the Shenzhen Special Economic Zone (SEZ).

10 Million Stock Investors

HK2012082594 Hong Kong ZHONGGUO TONGXUN SHE in Chinese, 14 Nov 94

[FBIS Translated Text] Hong Kong, 14 Nov (ZHONGGUO TONGXUN SHE) Several characteristics demonstrated in China's stock market have been highlighted by a survey by the China State Information Center.

Regarding the stock issuing market, the report found that the primary characteristic is the relative synchronicity of issues and the gradual transformation of the mode of issuance into the form of deposit receipts. The second is that, because the plan to issue 5.5 billion yuan of stocks in 1994 was frozen, those stocks which have been issued this year were those valued at 3 billion yuan not issued last year.

This year has witnessed a net increase of approximately 100 in the number of issuing enterprises compared to last year, and, by 30 September, there were more than 10 million stock investors in China. The issuing market for special RMB [renminbi] shares (B shares) has expanded and 52 joint-stock enterprises succeeded in issuing B shares by 30 September. Mainland-based enterprises' public issuance of stocks outside the territory and their entrance into overseas stock market has been a smooth process. By 30 September, 12 enterprises had been successful in issuing stocks and entering the U.S. and Hong Kong markets this year.

As far as the stock trading market is concerned, the scale of the market has been considerably expanded while trading items have been rapidly diversified. By 30 September, the number of A-share listed companies had reached 275, 100 more than the figure in 1993.

Nationwide Network Protects Consumers' Rights

OW2012022094 Beijing XINHUA in English 0129 GMT 20 Dec 94

[FBIS Transcribed Text] Kunming, December 20 (XINHUA)—China has made progress in protecting consumers' legitimate rights and interests through a nationwide consumer protection network and increasingly improved legal system.

Information from an ongoing meeting of the China National Consumers' Association held in this capital of Southwest China's Yunnan Province shows that up to September this year consumers' organizations had been set up in 80 percent of prefectures, counties and cities throughout the country since 1984, when the national consumers organization was launched.

The country now has 2,580 consumers associations above county level and 20,000 such associations at the level of urban neighborhoods and rural townships.

Large and medium-sized industrial and commercial enterprises across the country have also set up 25,000 centers to supervise the protection of consumers' rights.

In Southwest China's Tibet Autonomous Region, a preparatory committee for the establishment of a formal consumers association is working on its task.

A total of 27 provinces, municipalities, autonomous regions and eight cities enjoying an independent status in the economic plan have worked out rules and regulations for protecting the legitimate rights and interests of consumers, compatible with more than 900 sets of provisions worked out by relevant central departments.

The Standing Committee of the National People's Congress (NPC) adopted the Law on the Protection of Consumers' Rights October 31, 1993, which was put into effect January 1 this year. Local people's congresses and governments at various levels in many areas of the country have worked out detailed measures for implementation of the law. Cao Tiandian, president of the China National Consumers' Association, said that in the past decade consumers associations at various levels have received two million complaints and helped settle 93 percent of them, saving some 800 million yuan for consumers. The associations also conduct market surveys and supervision.

From January to September of this year alone, for example, consumers organizations across the country handled 285,000 complaints and helped save consumers 113 million yuan.

Conference Calls For Promoting Commercial Culture

OW2012081394 Beijing XINHUA in English 0739 GMT 20 Dec 94

[FBIS Transcribed Text] Hangzhou, December 20 (XINHUA)—A commercial culture is gradually appearing in China despite fierce opposition in recent years, according to a conference held in this capital of East China's Zhejiang province.

Commercial culture with Chinese characteristics was first proposed as early as 1988 by Hu Ping, then commercial minister, now the director of the Office of Special Economic Zones of the State Council. This thriving market-style economy has created favorable circumstances for the growth of a commercial culture.

"Two invisible hands direct the modern economy: One is the market system, and the other is culture. The trend in the world is that economy and culture spur each other's development," Hu said at the seminar on commercial culture, where participants discussed how to promote a commercial culture.

A warm and pleasant shopping environment is a plus for clients, said managers of department stores. In the Lufthansa Friendship Shopping Center in Beijing, for example, commodities are carefully displayed at all the counters, and each floor is decorated differently from others.

The sales personnel are polite and friendly with customers, and an electronic signboard receives them with warm greetings. The past few years have witnessed a growth in sales of 50 percent annually there.

As commercial competition is ultimately decided by people, many department stores have exerted efforts to instill a sense of professionalism and a spirit of devotion.

The Hualian Commercial Mansion in Hangzhou has outlined a strategy to promote economic efficiency, culture, and people at the same time. Since its having been established two years ago, it has improved staff members' morals, added regulations on behaviour, and explained selling techniques.

Superior service, sound management, and charitable activities have been crucial to the commercial culture, according to the seminar, and friendly service, an air of respect, and attention to customers now prevail.

The Dalian Department Store, for example, has offered to repair household electrical appliances and gold jewelry for shoppers. Other department stores have made donations to the Hope Elementary Schools.

Li Zhenghua, general manager of the Hualian Commercial Mansion in Hangzhou, said: "These invisible cultural attributes will in the end turn into concrete commercial profits, and provide new fuel for the long-term development for the commercial firms."

Firm To Launch Pilot Cable TV, Phone Services

OW2012083794 Beijing XINHUA in English 0819 GMT 20 Dec 94

[FBIS Transcribed Text] Singapore, December 20 (XINHUA)—Singapore Technologies Ventures (STV), a member of the government-linked Singapore technologies group, will launch pilot telephone and cable television services in two Chinese cities early next year, THE STRAITS TIMES reported today.

The Chinese cable TV venture is likely to draw on STV's expertise from being part of the Singapore Cablevision Consortium. But STV declined to give further details, the report said.

The STV is now emerging as a major telecommunications player, with development such as a satellite uplink facility here and a 20 percent stake in Bellsouth New Zealand, which operates a mobile phone network there.

Other telemedia activities of STV include bidding for mobile phone and paging licenses in Singapore and responsibility for providing and managing telecommunications services to the Wuxi-Singapore Industrial Park in China, the report said.

STV is also studying an Asian mobile satellite telecommunications system with Singapore Telecom, Hughes Communication and PT Pasifik Satelit Nusantara, it said.

3d Phase of Baoshan Steel Complex Proceeds

OW2012120594 Beijing XINHUA in English 1135 GMT 20 Dec 94

[FBIS Transcribed Text] Shanghai, December 20 (XINHUA)—The third-phase of Shanghai's Baoshan Steel Complex was going smoothly during the first 11 months of this year.

Investment in the project during the January-November period totalled 3.63 billion Yuan, according to information released during a recent meeting of the complex.

It said that the target of the third phase is to achieve an annual output of 3.25 million tons of iron, 4.29 million tons of molten steel, 950,000 tons of billet pipe, and 2.91 million tons of steel plate.

Meanwhile, the construction of a 4,350 cubic metres blast furnace, two 250-ton converters, and a high-power electric furnace of 150 tons is to be completed by the end of this century, making the complex one of the ten largest iron and steel production sites in the world.

So far, more than 600 ha of land have been used for the project. The land levelled near the complex has been expanded to cover 75 percent of the total.

Li Peng Urges Priority for Agriculture

HK2012081894 Beijing XINHUA Domestic Service in Chinese 2156 GMT 18 Dec 94

[By reporters Sun Benyao (1327 2609 and Zou Yun (6760 0061): "Li Peng Inspects Hunan, Calls for Truly Giving Top Priority to Agricultural Development in Economic Work")]

[FBIS Translated Text] Changsha, 18 Dec (XINHUA)—During his recent inspection of Hunan, State Council Premier Li Peng stressed: All regions should truly give top priority to agricultural development in economic work and energetically push ahead with agricultural development in accordance with the spirit of the recent Central Economic Work Conference.

After officiating at a ceremony inaugurating the Three Gorges Project on the Changjiang, Premier Li Peng went on to inspect work in Hunan 15 to 17 December. Accompanied by Wang Maolin, Hunan Provincial CPC Committee secretary, and Hunan Provincial Governor Chen Bangzhu, Premier Li Peng inspected Changde, Yiyang, Changsha, and some other areas of Hunan where he inquired about the Dongtinghu harnessing work; inspected water conservancy works; called on peasants households; and held talks with experts and professors from Hunan Agricultural Science Academy and Hunan Agriculture University.

During his inspection of Hunan, Li Peng repeatedly emphasized: Agriculture is the foundation. China is a large agricultural country with a population of over 1.2 billion. The country's population is still growing. Food is

of the utmost importance to people. The whole party and whole country should make every possible endeavor to promote agricultural development. Hunan is a large agricultural province and is also one of the country's key grain growing regions. Hunan has been boasting high grain, cotton, and oil crops yields and making great contributions to the state. This year, despite serious natural calamities, Hunan has still succeeded in raising total grain output to 27 billion kg, up by 750 million kg over last year, nearing the highest grain output in the province's history; total cotton output was a record 4.4 million dan; and total oil crops output was 19.4 million dan, an all-time high. Li Peng praised Hunan for successfully developing agricultural production and called on the province to make continued efforts in this regard.

Li Peng pointed out: One of the country's difficult goals in the next Five-Year Plan is to raise total grain output by 50 billion kg. To attain this goal, we will have to rely mainly on the following three things: 1) policies aimed at mobilizing among peasants; 2) science and technology; and 3) increased input.

Li Peng stated emphatically: Water conservancy is the lifeblood of agriculture. In order to make a success of agricultural production, we should strive to step up water conservancy construction. It is learned that the country's water conservancy construction for this winter and next spring has been going on smoothly. By 30 November, the country's largest amount of human labor engaged in daily water conservancy construction had reached 80 million, the accumulated amount of human labor engaged in water conservancy construction 670 million, and total amount of earth and stone involved in water conservancy construction was 3.85 billion cubic meters. Like other regions in the country, Hunan is currently setting off a new upsurge of water conservancy construction for this winter and next spring. On the morning of 17 December, Li Peng, braving the rain, inspected Changsha's Longwang Port Flood Control Dam where he extended warm greetings to the broad masses of cadres, people, and People's Liberation Army officers and soldiers and joined them in building a dam reinforcement project.

Speaking of the Dongtinghu harnessing project, Li Peng said: We must harness the Dongtinghu. There are now 10 million people and 10 million mu of land in the Dongtinghu area. The Dongtinghu area also contributes some 40 percent of Hunan's total grain output. The central authorities are concerned about this project. In order to successfully harness the Dongtinghu, first, we should rely on the Dongtinghu people who are known for their spirit of self-reliance and hard struggle; second, we should urge governments at all levels to increase input. The central authorities, he noted, should also give support to the project. The Dongtinghu Harnessing Project is bound to stand a very good chance of success, provided that all parties concerned make concerted efforts.

During his talks with experts and professors from Hunan Agricultural Science Academy and Hunan Agriculture

University, Li Peng was pleased to hear that Hunan had scored an initial success in bilinear hybrid rice research. He said: In order to raise the country's total annual grain output by 50 billion kg, we should carry out scientific farming. Water conservancy is the lifeblood while crop strains are the key link. Moreover, scientific fertilizer application, soil improvement, plant disease and insect pest prevention and control, effective field management, and some other work aspects are also of no less importance. He maintained: Hunan Agricultural Science Academy and Hunan Agriculture University have made significant progress and achieved excellent results in respect of improving food varieties, thereby making great contributions to the state. I'd like to take this opportunity to pay tribute to those agricultural scientists who have helped to raise the country's agricultural output and express thanks to Professor Yuan Longping who has made outstanding contributions in respect of breeding and popularizing hybrid rice. I hope that scientists will score even greater scientific research achievements in future. Li Peng noted: As regards hybrid rice research, we should make redoubled efforts to not only raise output but also breed new strains that are tasty and contain more protein and nutrients. In one word, we should energetically build a high-yield, high-quality, and high-efficiency agriculture.

At a Hunan Provincial CPC Committee meeting on implementing the aforementioned central economic work conference spirit, Li Peng stated: First, we should make continued efforts to step up agricultural production; second, we should adopt measures to stabilize prices and bring inflation under control; and third, we should concentrate on improving large and medium state-owned enterprises. Besides, we should make continued efforts to "seize each and every opportunity, deepen reforms, expand opening up, and promote development" to promote the overall interests of the whole party and whole country. We should also make redoubled efforts to properly handle relations between reform, development, and stability and work hard to achieve a sustained, rapid, and healthy national economic growth.

After listening to reports made by the Hunan Provincial CPC Committee and the Hunan Provincial People's Government, Li Peng said: This year, in spite of serious natural calamities, Hunan has still succeeded in reaping a good agricultural harvest; securing an appropriate total industrial output value growth in comparison with the country's average; improving people's livelihood by a relatively large margin, especially peasants' livelihood; and maintaining overall social stability. Hunan has done a good job. Li Peng expressed the hope that all comrades in Hunan will learn to draw upon coastal regions' successful experiences that are locally applicable; further emancipate their minds; seek truth from facts; carry out lateral comparisons between Hunan on the one hand and other fraternal regions on the other; carry out vertical comparisons within the province; work in a down-to-earth manner; and persistently forge ahead. Li Peng also urged party committees and governments at all

levels across the province to conscientiously step up comprehensive social order management and tighten control of the floating population.

During his inspection of Hunan, Li Peng was also accompanied by comrades in charge of a number of State Council departments concerned, including He Chunlin, Guo Shuyan, Huang Zhendong, Niu Maosheng, Yao Zhenyan, Wang Mengkui, Jiang Yunbao, and so on.

Jiang Chunyun Stresses Importance of Agriculture
OW1912170094 Beijing XINHUA in English 1539
GMT 19 Dec 94

[FBIS Transcribed Text] Hefei, December 19 (XINHUA)—Local officials must give top priority to agriculture so that a bumper harvest and an economic boom in the rural areas will be guaranteed next year.

Jiang Chunyun, member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), made the call during his December 16-19 inspection of east China's Anhui Province, a leading farming area.

He urged local officials to make agriculture top priority for economic work and take effective measures to improve current agricultural production, which was stressed at a recent economic work conference held by the CPC Central Committee and the State Council.

"A bumper harvest and a sufficient supply of farm produce in the coming year will effectively help reduce inflation and help maintain a sustainable, rapid and healthy growth of the national economy," he said, adding that it will also help increase farmers' income and keep society stable.

He visited many areas in the province, including farms, construction sites and farmers' houses and highly praised local officials for their work.

He said that farmland should be protected and the per unit production should be improved. Water-control works should be well maintained.

In addition, he urged local officials to put more investment into agriculture and to help raise local farmers' incomes by expanding rural enterprises and developing the various farming sectors.

Planning Minister Views Agriculture, Rural Reform

HK2012040094 Beijing ZHONGGUO GAIGE in Chinese No 11, 13 Nov 94 pp 6-8

[By staff reporter Guo Shuhua (6753 2050 5478): "Agriculture Is Foundation While Grain Is Basis of Foundation—Interview With Chen Yaobang, Vice Minister of State Planning Commission"]

[FBIS Translated Text] Editor's note: Agriculture has become a key issue attracting closer attention from the

whole community. This is not only because agriculture is the foundation of the national economy in our country but also because agricultural development and rural reform have become key factors determining whether or not reform as a whole in our country can be continued in depth, whether economic development will be sustained and stable, whether the public order and social stability can be maintained, and whether or not the objective of becoming comparatively well-off can be realized by the end of this century. For these reasons we interviewed Comrade Chen Yaobang, an expert on the agricultural issue and vice minister of the State Planning Commission in charge of rural work. [end editor's note]

[ZHONGGUO GAIGE] What are your comments on the agricultural development and the rural reform in our country over the past 15 years?

[Chen Yaobang] Since the Third Plenary Session of the 11th CPC Central Committee, tremendous changes have occurred in the rural economic situation. The rural economic reform in our country has not only raised the living standards of the peasants to an unprecedentedly high level but has also provided material guarantees and opened up ways for the economic reform across the board in our country. The agricultural economy as a whole has kept the upward developmental tendency and this is reflected in the increased output figures for grain, cotton, edible oil, various cash crops, animal products, and aquatic products. From 1978 to 1993, the grain output increased by 49.8 percent; the cotton output increased by 72.5 percent; the output of oil-bearing and sugar-bearing crops, aquatic products, pork, beef, and mutton increased by over 200 percent; and the fruit output also increased by over 300 percent. These rates of increase were unprecedented.

Why did the rural reform and development achieve such great results? People also mentioned the adoption of the contract responsibility system on a household basis with remuneration linked to output and this was right because the responsibility system freed the rural economy from the traditional pattern of "being based on large-scale public ownership" and changed the "big pot" distribution structure. Peasants could then make decisions about their own production and operations which also marked a major breakthrough in the rural economic structure. This reform measure aroused peasants' production enthusiasm and initiative and emancipated the productive forces. However, in my view, there are still four indispensable factors for the rapid development of the rural economy across the board:

1. The mandatory plans for agricultural production were changed into guidance plans so that agricultural producers could gradually free their production and operations from the constraints of the traditional planning system, orient their production and operations to the market, and could arrange their production and operations according to market needs. Thus, peasants can give play to their local advantages in their production, diversify their production and operations, and increase the

variety of products. This also increased their income and raised the living standards of the whole community, including peasants themselves.

2. Restraints over the development of township and town enterprises were removed. Some township and town enterprises existed before reform was carried out. For example, in Southern Jiangsu and in the coastal area of Zhejiang, because the population was too large as compared with the limited area of farm land, surplus rural labor force was shifted to some rural factories run by the People's Communes and the production brigades after 1958. These were the precursors of the current township and town enterprises but there were many rules and regulations restricting the development of such enterprises. For example, they were required to process local raw materials and sell products only on local markets. Obviously, this was not a policy for promoting the commodity economy but a self-sufficiency policy for local communities. After 1978, the restraints set by this policy were broken and township and town enterprises recorded substantial development and became economic organizations operating in line with market economic requirements ahead of urban enterprises. They not only demonstrated strong vitality and tremendous vigor but also became a great force for promoting rural commodity production, the development of the national economy, enhancing peasants' living standards, and promoting change in the outlook of the countryside.

3. The purchase and sale of major farm produce was gradually decontrolled and this enlivened the rural market and expanded the circulation of goods between cities and the countryside.

4. Multiple economic elements were developed on the basis of keeping public ownership as the mainstay of the economy.

In general, the adoption of the contract responsibility system on a household basis with remuneration linked to output, plus the four abovementioned factors, shifted the development of the rural economy onto the course of the market economy. In the framework of the market economy, the mechanism of supply and demand, and the price competition became the driving force for the development of the rural economy.

[ZHONGGUO GAIGE] In your opinion, what are the main problems in the field of agriculture at present?

[Chen] Since the beginning of reform, the situation regarding the rural economy has been good on the whole and this should be fully affirmed. The market orientation of the economy is correct. However, market orientation also has its deficiencies. As everyone knows, since agricultural production was oriented to the market, it has become more difficult to develop the production of products with low comparative benefit. This is particularly prominent in the production of grain and cotton. Facts since 1978 show that animal husbandry, aquaculture, and fruit and vegetable production have been

developing continuously and the production of oil-bearing and sugar-bearing crops has also increased rapidly although certain ups and downs have been experienced. However, the production of grain and cotton was stagnant for a certain period. In particular, grain output decreased for five consecutive years after 1984 and again remained in a stagnant condition after 1990.

While arranging market-oriented agricultural production, people must give consideration to marginal costs and the comparative benefit of products. Thus, more profitable products will be developed faster and less profitable products and nonprofitable products will be affected. The increase in demand for grain is rigid and the demand elasticity is very low. On the other hand, grain production often undergoes great ups and downs and difficulties in purchasing or selling grain often appear. As grain is a commodity with a bearing on the national economy and people's livelihood, grain prices must be brought under appropriate control. Therefore, grain is often a product with poor comparative benefit for producers and it is difficult to arouse the peasants' interest and enthusiasm for growing grain crops. The grain issue is a key factor in agricultural production and, at the same time, it is also a difficult point in the development of the rural economy.

The central leadership always attaches great importance to grain production. A major purpose of last year's rural work conference was to formulate measures for guaranteeing the sustained and stable development of grain production. Undoubtedly, the rural economy should develop comprehensively in all fields. At the same time, we should still concentrate our efforts and attention on the grain issue because people will be freed from any unease if there is a sufficient supply of grain. Otherwise, if grain production cannot increase, a string of problems can arise. Everyone needs to eat and the development of animal husbandry also needs grain. The development of some industries is also based on grain. Grain production is, therefore, an industry for guaranteeing peace and order in a country.

In recent months, grain prices have been increasing for various reasons. Because the prices of agricultural production materials increased, the state took the initiative in raising the price of grain. However, due to ineffective market management, the state grain department failed to play a role as the main channel for grain distribution and did not effectively restrain the increase in grain prices. Some state grain institutions even engaged in speculation. Moreover, there was another important factor and that was the relationship between supply and demand. The increase in grain production could not keep pace with the increasing need in the development of the national economy as a whole. In particular, rice output in the southern provinces decreased last year, evoking another round of grain price increases.

In order to solve the grain issue, the central leadership made a firm determination. At last year's rural economic

work conference, it was decided that measures be adopted in the following two aspects: First, in arousing the peasants' enthusiasm for growing grain crops the main measure was to raise the grain purchase prices. Second, to give substantial support to the economic development of the major grain-producing areas. In the second aspect, a 6.5 billion yuan special fund was set up to support major grain-producing and cotton-producing counties in order to develop the rural economies there, with 5 billion yuan of the fund being allocated to major grain-producing counties and the remaining 1.5 billion yuan being allocated to major cotton-producing counties. In addition, the prices of agricultural production materials were brought under strict control and reform was carried out in the circulation system for agricultural production materials. In order to encourage grain-producing areas to develop grain production, some measures were also adopted for the local governments. In order to reduce the loan pressure on major grain-producing areas, loans for purchasing grain were arranged separately and the business losses caused by the policy on dealing in grain were covered by special financial arrangements. The policy-oriented grain dealings will be gradually separated from commercial dealings in grain. The central grain reserve will be kept with the funds allocated by the central finances and the cost of local reserve will be borne by the local authorities. In commercial dealings, dealers will bear responsibility for their business profits and losses. Thus, the financial burdens on the local governments will be reduced and their interest in increasing grain production will also be aroused. In addition, in order to keep the market prices of grain stable, it is necessary to set up a grain risk foundation.

The adoption of all these measures was aimed at arousing the enthusiasm of peasants and local governments in major grain-producing areas. After the measures were put into practice, certain results were achieved. However, some measures were put into practice too late or were not implemented properly. Further efforts have yet to be made in this regard.

[ZHONGGUO GAIGE] In your opinion, how should people understand the importance of the grain issue?

[Chen] Between now and the year 2000, our target is to increase the grain output annually to a level above 1,000 billion jin. That is, we will increase the grain output by 100 billion jin in the next six years. Such additional quantity of grain output is absolutely necessary because the population of our country will be at least 1.28 billion or close to 1.3 billion by the end of this century and, if the per capita annual consumption of grain is 800 jin, the total will be more than 1,000 billion jin. That is, if our grain output in 2000 cannot reach 1,000 billion jin, grain will be in short supply. The output level of 1,000 billion jin is not too high. At present, in such large cities as Beijing and Shanghai, the per capita annual grain consumption is about 1,200 jin. In the whole world, the per capita grain consumption is about 800 jin a year. Moreover, our calculation method is different from what is

generally used in the world. First, in international practice, grain only refers to cereals but we include sweet potato, potato, soya beans, and buckwheat in the grain category. Second, in international practice, rice only refers to unpolished rice but in our calculation method, rice refers to unhusked rice.

At present, in some developed Western countries, the per capita annual grain consumption has reached about 1 tonne. However, it will never be easy for us to reach the level of 800 jin because our country has a smaller per capita area of farm land and the limited farm land is continuously being used for other purposes. In the last 10 years, the area of farmland reduced by 3 million mu every year and most land being used for nonfarming purposes was fertile land. This phenomenon was most salient in the suburban areas of large cities and in the economically developed areas. In such circumstances, the increase in grain output will rely mainly on the enhancement of per unit area yield, which will require the input of advanced means of production and a larger quantity of materials in order to improve the production conditions. At present, intermediate- and low-yield fields account for about two-thirds of all the farm land in our country. A substantial input of materials is necessary in order to improve such a large area of poorer farm land. In addition, the supply of agricultural production materials will also have to keep pace. According to our past calculations, in order to increase the grain output by 100 billion jin, we will have to increase the use of chemical fertilizer by 15 million tonne, increase the power of farm machines by 50 million hp, and add 1.3 million tonne of diesel oil and 10 billion kwh of electricity. Of course, we also have to further popularize science and spread advanced technology.

The following are the problems in front of us.

In order to solve the agricultural issue, especially the grain issue, we certainly need to increase peasants' production enthusiasm in grain-producing areas. However, more importantly, our leading comrades at all levels should enhance their understanding of the importance of agriculture and grain production and actually attach importance to this field.

In the market economy, it is certainly necessary to give play to the regulatory role of the market. However, grain production has its unique characteristics. Because grain production does not have advantages among other products in terms of its low comparative benefit but grain is a basic product in the national economy and grain production must not be neglected, various countries in the world have adopted protective policies for grain production. The United States and the European Community give substantial subsidies to grain producers and Japan pursues a high-price policy for the purchase of rice. In our country, due to insufficient financial resources and other reasons, the state cannot give substantial subsidies to grain producers so we will have to rely more on ideological mobilization, pay more attention to the readjustment and effective implementation of

the relevant policies, and carry out certain administrative interference. This requires that our leaders at all levels actually attach importance to grain production and effectively promote grain production by approaching the importance of agriculture and grain production from the overall interests of the national economy and from the general objective of becoming comparatively well-off throughout the whole country. Therefore, Premier Li Peng said: Provincial governors are responsible for grain production and mayors are responsible for the production and supply of nonstaple food. His purpose was to stress the responsibility which leaders should bear and to prompt leaders at all levels to attach importance to agriculture and grain production.

[ZHONGGUO GAIGE] In your opinion, what should we pay attention to in the course of rural economic reform?

[Chen] First, we should stress the need to keep the basic rural policies stable and continue to keep the contract responsibility system in force. In localities with the necessary conditions, on the basis of peasants' willingness, the land use right can be transferred within the limits prescribed by the relevant laws so that an appropriate degree of economy of scale operations can take shape and land will not lay idle because peasants leave home to seek jobs in the cities.

Second, it is necessary to foster and develop production and operation organizations which are suited to the market economy, gradually adjust the rural industrial structure and production structure in the light of the market needs, and gradually develop high-yield, good-quality, and high-efficiency agriculture. However, many localities still let the diversification of rural economic operations develop blindly and spontaneously. As a result, people often rush to produce the same thing in mass action without proper coordination. Good experience has been gained in some localities where they gave more effective information guidance and technical assistance to producers. In particular, they built up their local leading enterprises, which brought along thousands of households in the development of the pillar industry. For example, the foreign trade department in Zhucheng, Shandong, took the lead in developing animal husbandry and the agricultural department took the lead in developing fruit production by organizing their leading enterprises to carry out processing and marketing of the local farm produce. Deda Company in Dehui County, Jilin Province, organized the development of the chicken-raising industry and the Orange Company in Jishou City, western Hunan, organized peasant households in growing orange trees. All such typical cases show that in both economically developed areas and poor areas, with companies leading the peasants, the rural economy will successfully develop through the diversification of production.

In our country, peasant households are operating on a small scale and they are short of technology, funds, and

information. Without a leading enterprise to guide peasant households and organize their operation, the peasant households will find it hard to adapt their production to the market needs. The organizational form of the leading enterprises in organizing peasant households' operations can resolve the following contradictions: First, the contradiction between small-scale production and the large market as we have often mentioned; second, the popularization and application of modern scientific methods and advanced techniques; and third, the shortage of funds in individual peasant households. In the development of modern agriculture in other countries, this operation pattern has also been widely adopted. I think that in our country's further rural reforms, it is necessary to develop the organizational system in this orientation.

Third, it is necessary to properly approach the issue of the operation scale in agricultural production. With the development of the secondary and tertiary industries in the developed areas, more rural labor force has been shifted to those fields. This has made the issue of appropriately expanding the scale of operation in agriculture one of immediate significance. Economy of scale operations is an inevitable need in the development of modern agriculture but the realization of economy of scale operations must be based on people's willingness and mutual benefit. In particular, this must be in keeping with the developmental level of the productive forces in the countryside. There must be no administrative order and no compulsory action according to uniform standards; still less can economy of scale operations be simply interpreted as "collective operations." According to the current unevenness in the development of the rural economies in all parts of our country, I think that the development of economy of scale operations can be divided into three tiers.

On the first tier, expanding and unifying the scale of production-oriented social services, that is, the economy of scale operations in the field of services. For example, the production outlay; the supply of seeds, seedlings, and farm machines; irrigation facilities; and the means of preventing and curing pest and plant diseases can be handled by certain large-scale organizations. Through the enlargement of the scale of production-oriented services, the cost of agricultural production can be lowered; scientific methods and advanced techniques can be spread in farming; and the agricultural productivity be enhanced. This is feasible in most economically developed areas.

On the second tier, the scale of individual peasant households' farming operations can be expanded. The land use rights in the countryside can be transferred so that land can be concentrated in the hands of some households engaged in large-scale farming. This has been practiced in some economically developed areas, such as southern Jiangsu and Zhujiang. In less developed areas, where a large quantity of rural labor force is shifting to other areas, in order to prevent farm land from lying idle, this method can also be adopted.

On the third tier, collective operations on a large scale. This is a method used in areas where there is a high degree of mechanized production or the collective economic institutions have great strength. For example, in Daodian Village, Fangshan County, Beijing Municipality, the farm production teams are, in fact, workshops

of an agricultural-industrial-commercial company. In short, economy of scale operations should be developed according to local conditions and guidance should be given in good time, according to the needs of economic development. However, there must not be any compulsory measures without regard to the concrete conditions.

East Region

Fujian Holds Meeting on Central Instructions

HK2012030894 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 13 Dec 94

[FBIS Translated Text] Days ago Governor Chen Mingyi called a governor work meeting to conscientiously study the instructions of the central economic work meeting, during which he suggested implementing the instructions in light of Fujian's specific conditions and concentrating efforts on fulfilling current tasks. Present at the meeting were provincial leaders Huang Wenlin, Shi Xingmou, Zhang Jiakun, Tong Wanheng, and Pan Xincheng. The meeting analyzed the province's current economic situation, discussed ways to resolve problems and difficulties in reform and development, and proposed next year's economic tasks and relevant policies and measures.

The meeting pointed out: 1994 will soon be over. All levels of government must make all-out efforts to secure key links, improve weak links, and fulfill all tasks. There is a need to strictly control price hikes, increase the supply of essential products, strictly control the excessive growth of demand and supply, carry out agricultural production well this winter and next spring, make good preparations for grain procurement and spring farming, increase the peasants' income, help state-owned enterprises make up their deficits, and organize industrial production and transportation work. Funding for ongoing construction projects must be ensured to speed up these projects. The transformation of state highway 324 must be completed before the Spring Festival. Revenue must be ensured, particularly tax collection. Expenditure must be strictly controlled to guarantee a balance between revenue and expenditure. Exports must be expanded and foreign capital must be utilized more positively and effectively. The instructions of the provincial educational work meeting must be conscientiously put into effect and social undertakings must be comprehensively carried forward. Down-to-earth and efficient work must be done to lay a good foundation for next year's reform and development.

The meeting stressed: The New Year and Spring Festival are approaching. All levels of government must meticulously organize work concerning these two festive occasions. First, they must make good arrangements for market supply during the two occasions; second, they must strictly control the excessive growth of consumption funds; third, they must show concern for the masses' lives and help resolve their problems; fourth, they must do a good job in transportation during the spring; fifth, they must ensure safety in production and prevent the outbreak of major fires; and sixth, they must conscientiously exercise comprehensive management to ensure safety and social stability during the holidays.

Shandong Secretary Inspects Linyi, Rizhao

SK2012055394 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 19 Dec 94

[FBIS Translated Text] Recently, Zhao Zhihao, secretary of the provincial party committee and provincial governor, conducted investigation and study in Linyi and Rizhao during which he stressed: Party and government organs at all levels should conscientiously implement the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and of the national conference on building rural grass-roots party organizations, continue to grasp the building of rural grass-roots organizations and to promote the spirit of arduous struggle, make earnest efforts to do practical work, and promote all fields of work to a new stage.

Accompanied by (Wang Jinghu), secretary of the Linyi prefectural party committee, and (Zhang Shouye), commissioner of the prefectural administrative office, Zhao Zhihao successively travelled deeply to plants, rural areas, and wholesale markets to conduct investigation and study. At the (Shenqianzhuang) village of (Luo Zhang) town in Linyi city, Zhao Zhihao visited peasant households who lived in villa-type houses and enterprises and nurseries in the village, and held talks with village cadres and the masses. He said: Comrade (Wang Tingjiang)'s deeds of contributing his personal property of 6 million yuan to the collective, uniting with and leading the villagers to march towards the road of common prosperity have greatly influenced the whole province and even the whole country. General Secretary Jiang Zemin praised (Wang Tingjiang)'s spirit of selfless dedication on several occasions. Today when I saw the development and changes at the (Shenqianzhuang) village and listened to your briefings on (Wang Tingjiang), I had a special feeling. (Wang Tingjiang) has grown from an ordinary peasant to a peasant entrepreneur and secretary of the general party branch. First of all, he has a correct sense on life and value. His sense on life and value is to lead the people to march towards the path of common prosperity with selfless dedication. He has the socialist ideological consciousness, always keep common prosperity in mind, and care for and help the masses. (Wang Tingjiang) has maintained the good work style of conducting all undertakings through hard work. Money is hard earned. Some people waste their money when they become rich. But he still engaged in hard work and arduous struggle when he became rich. He has paid attention to science and technology, respected trained personnel, and assigned them to important posts. It is precisely because of these trained personnel that (Shenqianzhuang) has today's prosperity.

Zhao Zhihao also listened to work briefings given by Linyi Prefecture and some counties and cities and fully affirmed Linyi's work achievements of the previous stage. He called on party and government leaders at all levels to act in accordance with the central and provincial plans, do a good job in building rural grass-roots party organizations, pay attention to cultivating and

recruiting new party members and young cadres, and make special efforts to install good secretaries to rural grass-roots party branches. Regarding next year's work, it is necessary to act in line with the 20-character principle defined by the central authorities and correctly handle relations of reform, development, and stability. In addition to boldly emancipating the minds and daring to think and work, it is also necessary to seek the truth from facts, act according to one's ability, and pay attention to economic efficiency. With regard to making the rural areas shake off poverty and become prosperous, particularly the issue on changing the outlook of poor mountainous areas, we must be willing to improve their basic conditions, especially water supply and road construction. We should proceed with strengthening the centralized and decentralized management system in the rural areas and expanding the collective economy and reduce the burdens of peasants.

During his stay in Rizhao, Zhao Zhihao listened to briefings given by (Wang Shuwen), secretary of the city party committee, and (Yin Zhongxiang), city mayor, on the work of the whole city, conducted on-the-spot inspections, and fully affirmed Rizhao city's work. During his inspection tour, Zhao Zhihao pointed out: The general guidelines for next year's work have been clearly defined by the central authorities. Party and government organs at all levels across the province should carry out their work creatively, adopt practical and effectively measures, implement the guidelines, do practical things, and guarantee a sustained, rapid, and sound development in the national economy. He said: Efforts should be made to adopt measures to strictly control the excessively rapid rise in commodity prices, control the commodity prices particularly during the Spring Festival period, and guarantee supply, especially the vegetable baskets and rice bags. It is necessary to realistically attend to reform of the state-owned large and medium-sized enterprises and make breakthroughs in establishing the modern enterprise system, clearly defining property rights, and promoting reform of the shareholding system, enterprise internal reform, and technological transformation. Meanwhile, it is also necessary to do a good job in supporting reforms of the unemployment and labor insurance systems and make special efforts to guarantee the issuance of wages for workers of difficult enterprises. Efforts should be made to grasp structural readjustment. In agriculture, the general principle is that we should continue to guarantee the steady increase of grain, cotton, and oil in an effort to meet the needs of population growth and industrial development. Under such premise, we must take steady and reliable steps to make gradual readjustment, and must not be overanxious in this work or seek uniformity. The steady development of grain and oil should be realized by raising the multiple crop index and the per unit area yield and increasing fine varieties of crops. We should exert efforts to develop farming that provides high yield of fine quality with good efficiency in line with our reality. In industry, we should give consideration to the state industrial policy,

local financial revenue, and environmental protection while transforming old enterprises and conducting new projects and pay special attention to quality and efficiency. It is not realistic to only stress output value. Zhao Zhihao called on cadres at all levels to continuously strengthen study, strive to enhance ability to control the overall situation and the socialist market economy, further emancipate the minds, be keen to seek development and blaze new trials, and continue to promote the spirit of arduous struggle. To achieve this, we must be honest in performing official duties. And only by so doing can we lead the broad masses of people to pioneer undertakings. We should maintain close ties with the masses, regularly conduct in-depth investigation and study, and pay attention to discovering and promoting typical examples.

Shanghai Registration of Foreign Institutions

OW1912143894 Beijing XINHUA in English 1409
GMT 19 Dec 94

[FBIS Transcribed Text] Shanghai, December 19 (XINHUA)—A total of 927 foreign companies and institutions opened branches or representative offices in this, China's largest industrial center this year, bringing the total number of resident foreign entities here to 3,229, according to statistics up to November 30.

The number of newly-established foreign agencies makes up 35 percent of the total foreign firms in Shanghai.

The overseas firms in Shanghai represent 50 countries and regions, with Japan, the U.S., Germany, Canada and Britain as the leaders.

Some 2,688 of these foreign firms are trade organs, handling finance, insurance, transportation, tourism, aviation and legal services.

A recent survey showed that the majority of these foreign firms abide by Chinese laws and local regulations and have achieved notable results.

However, some foreign firms have changed their registered property without authorization, hired Chinese staff without completing the necessary formalities, engaged in unlawful business activities and even started operations before registration.

According to the result of a routine survey of 700 local foreign firms early this year, 14 percent the surveyed firms had failed to register with the local government. And 1,200 local people had been unlawfully hired by these firms.

The city is to tighten control of the registration of foreign institutions next year. Those who have violated Chinese law will have their licenses withdrawn.

Shanghai Expands Waigaoqiao Bonded Zone

OW1912165894 Beijing XINHUA in English 1529
GMT 19 Dec 94

[FBIS Transcribed Text] Shanghai, December 19 (XINHUA)—The Shanghai Waigaoqiao Bonded Zone, the

largest of its kind in China, has been expanded to 5.5 sq km from the original two sq km.

"The enlargement is expected to accelerate development and increase exports in the zone," experts said.

The transaction volume of this bonded zone for production materials, which became operational one year ago, amounts to 720 million U.S. dollars-worth so far this year, and imports and exports totalled 583 million U.S. dollars-worth.

Now the zone is concentrating its efforts on improving its financial, information and consultancy services. The Waigaoqiao Port, with a designed annual handling capacity of 2.4 million tons, which is at the direct disposal of the zone, was put into use in October last year.

In its efforts to help with the construction, production and exports of the businesses in the zone, the local customs officers are now working round the clock and employing computerized paperless customs declaration procedures.

To date, 1,313 enterprises have been approved to be set up in the zone, with investment totalling 2.47 billion U.S. dollars. Of them, 543 are invested in solely by overseas proprietors, involving 553 million U.S. dollars, and 326 are Sino-foreign joint ventures, with 1.188 billion U.S. dollars of investment. Fifty-six of them are storage enterprises, 1,015 trade businesses and 121 processing firms.

The zone will be expanded eventually to 10 sq km in area, officials of the zone said.

300,000 Unemployed in Shanghai 'To Date'

HK1912142494 Beijing ZHONGGUO XINWEN SHE
in English 1239 GMT 19 Dec 94

[FBIS Transcribed Text] Shanghai, December 19 (CNS)—Relief cash has been given out in 873,000 cases which applied for unemployment assistance since the operation of the unemployment insurance system for workers in Shanghai.

The unemployment insurance system started at earliest when compared with two other insurance systems dealing with pension and medical treatment, all of these three kinds of social welfare were carried out step by step in the municipality in recent years. Since its establishment in 1986, the unemployment insurance system covered areas extending from state-owned enterprises to collective enterprises, foreign-funded, shareholding and associated enterprises as well as those of other forms of collective ownership. Statistics showed that there were some 10,000 enterprises involved in this scheme across the municipality covering four million workers.

During the past nine years unemployment assistance was offered to workers during a halt to production suffered by 215 enterprises to which they belonged.

Another main function shown by the insurance system is to help re-employment in addition to release of unemployment relief cash. A number of agencies have been set up in Shanghai for employment and training of job skill. Experts were convinced that as reform would be accelerated in the adjustment of industrial structure and product pattern as well as in the establishment of a modern enterprise system, the unemployed would maintain an increase in number next year. There are to date about 300,000 unemployed persons in Shanghai.

Shanghai To Publish East China RENMIN RIBAO

OW1912152694 Beijing XINHUA in English 1458
GMT 19 Dec 94

[FBIS Transcribed Text] Shanghai, December 19 (XINHUA)—An east China branch of the "People's Daily" [RENMIN RIBAO], China's Communist Party newspaper, was established here today. It will publish an east China edition of the paper from January 1, 1995.

The East China Edition will have 16 pages, five of which will be edited by the local branch to cover news of east China areas, including Shandong, Jiangsu, Jiangxi, Anhui, Fujian and Zhejiang provinces as well as Shanghai city.

An official from the "People's Daily" said that more local branches will be set up around the country so that the Communist Party newspaper will better carry out its role through integrating the party's principles and policies with local realities.

The paper currently has two editions—one for domestic readers and one for overseas Chinese.

Zhejiang Vice Governor on Social Stability

OW2012064094 Hangzhou ZHEJIANG RIBAO in
Chinese 30 Nov 94 p 1

[By reporter Li Gao (2621 2640): "Chai Songyue Checked the Comprehensive Management of Public Security in Hangzhou and Pointed Out the Necessity of Creating a Stable Social Environment for Reform and Development"]

[FBIS Translated Text] Chai Songyue, deputy secretary of the provincial party committee and executive vice governor of Zhejiang, yesterday afternoon [29 November] checked the comprehensive management of public security in Hangzhou city. He also attended a discussion meeting with comrades of the city public security bureau and some districts, towns (neighborhoods) and residential committees. He fully affirmed Hangzhou's achievements in the comprehensive management of public security.

After attentively listening to reports on experiences in comprehensive management of public security from those responsible in Jianggan district, Gudang town,

Liangshan neighborhood and Suyuan residential committee, Chai Songyue pointed out: At present, reform is being carried out in an all-round way, with the establishment of a socialist market economy as the main object. To constantly deepen reform and continuously develop the economy, an important condition is to have a good environment for reform and construction. Public security is now generally good. However, judging from the need to deepen reform, there are still some unsatisfactory aspects, including some that are serious. Therefore, we must persist in incessantly cracking down on various kinds of criminal activities so as to promote social stability. It is the unshakable duty of the party and government to create a stable environment for work and living, and it is also the most basic and concrete service that can be provided for the people. Chai Songyue also asked in detail about the situation of strengthening control of people from other localities. He said: We should grasp the key issue of comprehensive management of public security. Crimes committed by people from other localities are an important public security problem at present. If we can properly solve this problem, we shall be able to grasp the key issue in the comprehensive management of public security. We should implement various measures to improve public security down to the level of every household and home to promote a fundamental improvement in public security.

Zhejiang Successful in Land-Use Right Transfer

OW2012070594 Beijing XINHUA in English 0645
GMT 20 Dec 94

[FBIS Transcribed Text] Hangzhou, December 20 (XINHUA)—East China's Zhejiang Province has been successful with its experimentation in the transfer of land-use right.

The operation is in line with state policy. It means that land ownership is always in the hands of the state but its use-right can be sold or auctioned to facilitate economic growth.

The province earned more than 19 billion yuan from transferring land-use right in the past several years.

Meanwhile, the transfer of land-use right has led to a better utilization of local land resources in this province, one of densely populated in China.

At present cities and counties in Zhejiang have sold out the land-use right of over 12,400 plots, covering a total area of 11,000 hectares.

Out of the plots, 70 percent were used for development of industries, 30 percent for real estate, and 10 percent for commercial and financial businesses and tourism.

Local governments in the province invested their gains from the transfer into infrastructural construction.

Yiwu City, for instance, has accumulated some 900 million yuan through transferring land-use right to build a large wholesale market of small daily-use articles.

Some narrow and shabby streets in urban areas, such as the Renmin Road of Wenzhou City and Qingchun Road of Hangzhou City, have become prosperous commercial centers after transformation made with funds collected from transferring the land-use right.

More foreign investment has been attracted to the province since the Provincial Government agreed to sell land-use right to foreign investors. So far, foreign businessmen have spent more than 500 million U.S. dollars in buying land-use rights.

Central-South Region

Guangdong Secretary Attends Economy Meeting

HK1912142994 Beijing ZHONGGUO XINWEN SHE
in English 0950 GMT 19 Dec 94

[FBIS Transcribed Text] Guangzhou, December 19 (CNS)—The three-day Working Meeting on Economics of the Province of Guangdong was concluded in Guangzhou yesterday. At the meeting, it was emphasized that the main direction of the economy of Guangdong for the next year was to improve the quality of economics and to promote a healthy development of the state economy.

Apart from 150 department leaders from various districts of the Province, Mr. Xie Fei, member of the Political Bureau of the Central Committee of the Communist Party of China and the Secretary of Guangdong Provincial Party Committee, and Mr. Zhu Senlin, the Governor of Guangdong Province, attended the meetings and gave speeches. Discussions on various topics were held and members were very enthusiastic to give their opinions.

At the meeting, a review of the achievements of the year was made. It was noted that the Guangdong Province had introduced several major reforms and strengthened the macro adjustment and control to achieve the targets. However, several problems were noted. They included: the foundation of the average economic quantity was not strong, prices of merchandise were always fluctuating, the structure of investment of fixed assets was not reasonable, the capitals were tight and their utilities were not effective, the economics of the enterprises were not cost effective, etc. As discussed, all the above factors have negative effects on development of our economy. They must not be neglected and appropriate remedial measures must be taken.

At the meeting, direction for tasks for the next year was laid down as:

-Economic development should be centered on quality improvement and effectiveness in order to expand the priority investment industries, to speed up and increase the effectiveness, to increase the total quantity for the priority industries, improve value of the assets in order to open up more local and overseas markets, to improve relationship between market mechanism and strengthening of macro economics control.

-The policy of suppression of inflation should be given the first priority in the macro control so as to stop prices from rising too fast.

-To put farming as the main task of our economy by fully developing economics in rural areas. To secure steady production and supply of food in order to be self-sufficient. To ensure the size of arable lands not to diminish. To increase food production and give adequate protection to the industry. To plan food consumption very carefully and to maintain a good reserve. To promote profit sharing scheme in the rural enterprise. To develop marine industry.

-To carry out reforms in the state-owned enterprises in order to build up modern corporate systems and set up large consortia. To carry out reforms intensively within an enterprise and transform operation mechanism. To build up a framework of modern enterprise in order to speed up reforms in building modern corporate system.

-To improve the structures and economic systems of industries. To well handle the relationship between the primary, secondary and tertiary industries, relationship between development of new and high-tech industries and improvement of existing industries, and the relationship between property structure adjustment and regional economic distribution.

-To promote the finance market, utilize the capital properly, improve the calculation means, perfect effective short-term loans.

-To give priority to foreign investors in order to attract more investments and capitals for the benefit of Guangdong.

-To build up a new taxation system to ensure balance of income and expenditure.

Guangdong Province Accelerates Urbanization

*OW2012024894 Beijing XINHUA in English 0105
GMT 20 Dec 94*

[FBIS Transcribed Text] Guangzhou, December 20 (XINHUA)—A large batch of township enterprises, and medium and small-sized cities have become a new force for the urbanization of south China's Guangdong Province.

The number of small cities in the province has increased to 1,321 from 132 and that of large cities—cities with populations of at least 500,000 each—from one to eight over the past few years.

Some 39 percent of the province's population, or 26 million people, are now living in cities or towns, statistics show.

In the Pearl River Delta, which boasts the highest level of urbanization, a group of cities with this capital of the province at the center has been formed.

With more cities merging, industry in the province has witnessed rapid progress, especially industry in rural areas.

In the last decade the province has enjoyed a higher economic growth rate than other parts of the country.

The output value of the township enterprises has accounted for 43 percent of the province's total in the last decade, compared to only 19 percent before.

The rapid development of industry has created more employment opportunities.

Statistics show that 80 percent of the rural labor force is now employed in the urban areas in the province. Further, some six million workers from other provinces have found work in Guangzhou.

According to a blueprint the province has drawn up for the year 2000, the urban population will account for 45 percent of the province's total by then.

Guangdong Sees Vigorous Growth in Private Sector

*OW2012071894 Beijing XINHUA in English 0615
GMT 20 Dec 94*

[FBIS Transcribed Text] Beijing, December 20 (XINHUA)—About ten years ago, the Angtai Company was only a small eel-raising farm in Shantou City of south China's Guangdong Province, but today it has become a sizable group corporation with an annual output value of 60 million yuan.

The privately-owned Corporation in this special economic zone achieves an annual export volume of 5.13 million U.S. dollars.

Angtai is only one of the 45 successful private businesses of the size in the province. They can best illustrate the performance of the booming private sector.

By the end of last year, the total number of self-employed industrial and commercial households and private enterprises in Guangdong reached more than 1.25 million, employing 2.83 million people. The comparative numbers in the early 1980s were only 150,000 and 320,000.

At present, these businesses contribute 6.2 percent of the annual industrial output value for the whole province. Private businesses in retail sales make 22 percent of the total sales volume for the entire province.

Last year the private sector paid 4.39 billion yuan in taxes, accounting for 12 percent of the provincial total annual revenue. They paid 2.55 billion yuan in the first half of this year, 32 percent up over the same period of last year.

In Guangdong, private businesses get involved in industry, commerce, advertising, information and real estate. Many of them are technology-intensive or export-oriented.

Guangdong To Hold Meeting on Crossborder Pollution

HK1912055994 Hong Kong SOUTH CHINA MORNING POST in English 19 Dec 94 p 6

[By Patricia Young]

[FBIS Transcribed Text] Concern on both sides of the border over a proposed giant coal-burning power plant in Guangdong has become so great it will be discussed at a meeting between senior Chinese and Hong Kong officials. Both environmental protection departments are to meet in Hong Kong this week to hammer out the finer points concerning crossborder pollution after news of the plant was revealed by the South China Morning Post. The Hong Kong Guangdong Environmental Protection Joint Liaison Group will be co-headed by Secretary for Planning, Environment and Lands Tony Eason and his mainland counterpart, Wang Yinkun.

Environmentalists are afraid prevailing winds will blow pollution from the plant, to be on the eastern shores of Mirs Bay in Guangdong, directly across Hong Kong. The massive 2,630 megawatt plant will be more than twice the size of the Lamma Island power plant. It will generate enough power to provide two-thirds of Hong Kong's total requirements. Beijing has given preliminary approval to plans proposed by Hopewell Holding subsidiary, Consolidate Electric Power Asia (CEPA). "This meeting is to look at all aspects of pollution," spokesman for the Planning Environment and Land Branch said.

"Every place in the world has problems with transborder pollution and we are trying to get a forum for co-operation started." But CEPA executive director Lawrence Miao feel concerns about pollution are misplaced. He claims the plant will meet World Bank standards for pollution. But independent pollution experts believe those standards are not appropriate for Hong Kong since they apply to Third World developing nations.

In Europe guidelines for cross-border pollution are laid down in the UN Basel Convention on the Transboundary Movement of Waste. While most of the regulations deal with soil waste, work is underway to include air pollution in new European Union regulations. "We are very open about our plans," Mr Miao said. "We regularly take groups of analysts, financial or otherwise, through our plants."

Guangdong Program Aims Environmental Concerns

HK2012030294 Guangzhou Guangdong People's Radio Network in Mandarin 1030 GMT 9 Dec 94

[FBIS Editorial Report] The following is a summary of the program "Today's Hotline", a listener call-in show carried daily on Guangzhou Guangdong People's Radio Network in Mandarin at 1035-1200 GMT.

1. 1038 GMT—The program opens with a brief introduction by the program host Wen Tao. The discussion of

the day focuses on a report carried on page two of the 9 December issue of YANGCHENG WANBAO by reporter Xu Tingfei and correspondents Zhang Juzhen and Ni Jing. The article reported on the findings of a public opinion poll on Guangzhou's environmental quality and urban management, jointly conducted by the Guangzhou Economic and Social Development Research Center and the Guangzhou City Construction Committee last November. More than 60 percent of the interviewees were confident that Guangzhou would become a modern international metropolis, but most were dissatisfied with the present urban environment quality and management standard. The opinions were collected through questionnaires.

2. 1044 GMT—A Mr. Wang who has come from Shenzhen to Guangzhou talks about his impressions of the city. He feels that streets in Guangzhou are quite messy and that the city is less covered by greenery than Shenzhen. He says he is quite disappointed in Guangzhou in terms of environmental quality and municipal management.

3. 1045 GMT—A Mr. Qin says he saw a child vomiting in a street near the Guangdong Television Broadcasting Station and that a woman accompanying the child used a paper bag to contain the vomit, thus avoiding dirtying the sidewalk. Mr. Qin praises the woman for her concern for public sanitation.

4. 1046 GMT—A Mr. Zhang says he believes the findings of the public opinion poll basically conform to reality. He says Guangzhou is still far from the standard of an international metropolis, with poor municipal management and sanitation conditions, insufficient urban neighborhood facilities, and backward urban planning.

5. 1049 GMT—A Mr. Li says Guangzhou has a poor living environment, being very dusty because of scarce vegetation.

6. 1051 GMT—A Mr. Chen complains that construction on the underground railway project produce great noise even late at night, which is a nuisance. He also complains that Guangzhou citizens' educational level is not high enough for the city to qualify as an international metropolis.

7. 1053 GMT—A Mr. Yang calls in to complain about the filthiness of the streets of Guangzhou, especially at marketplaces, where garbage and garbage cans are left everywhere unattended.

8. 1055 GMT—A Mr. Gu says public security is better in Guangzhou than in some other Guangdong counties and cities, such as Shantou and other coastal counties and cities. But he says that Guangzhou people are not very nice, as he once saw people in streets being indifferent to robbery and showing no intention of helping the victims.

9. 1100 GMT—Brief newscast.

10. 1104 GMT—Commercial break.
11. 1108 GMT—The program host again gives a brief summary of the findings of the opinion poll.
12. 1109 GMT—A Miss Lin calls in to object to the opinion of the previous caller, Mr. Gu. She says that according to her personal experience, Shantou is not bad in terms of public security.
13. 1111 GMT—A Ms. He complains that vendors' stands and stalls, which can be seen everywhere in Guangzhou, occupy too much space on the sidewalk and even extend to the street, affecting the smooth flow of traffic. She suspects that there are some dealings between the street peddlers and the police who tolerate such practices. She also complains about insufficient vegetation and arbitrary felling of trees in urban areas.
14. 1116 GMT—A Mr. Liu suggests that sprinkling trucks be used to clean streets regularly, that all vehicles entering Guangzhou be cleaned at highway outlets, that environmental conditions around construction sites be kept under control, and that efforts be made to publicize the importance of environmental protection.
15. 1121 GMT—A Miss Wang complains that construction projects in Guangzhou do not comply with urban planning.
16. 1124 GMT—A Mr. Li proposes setting up a hotline to police and installing more report-to-police telephone booths in streets.
17. 1125 GMT—A Ms. Li complains that public security conditions at the Guangzhou Railway Station are terrible. She says she once found herself helpless when robbed there.
18. 1126 GMT—A Mr. He complains that there are many pickpockets on buses and in cinemas.
19. 1128 GMT—A Ms. Huang complains about the poor quality of public housing.
20. 1130 GMT—Brief newscast.
21. 1136 GMT—Commercial break.
22. 1140 GMT—A Mr. Wang complains that the management fee in the condominium where he lives has been drastically and suddenly raised.
23. 1145 GMT—A Mr. Han complains that sanitary conditions in his neighborhood are terrible; there is plenty of garbage, and scavengers have been doing a lousy job.
24. 1147 GMT—A Mr. Zhang compares Guangzhou with Beijing, praising Beijing for its success in the tree-planting drive. He also complains about the inappropriate selection of sites for golf courses and the harmful environmental impact of this kind of project.
25. 1151 GMT—A Mr. Huang complains about military trucks that violate traffic regulations.

26. 1154 GMT—A Ms. Yang says that serious decontrol of economic and social development has resulted in the deterioration of social order and environmental pollution.

27. 1157 GMT—Concluding summary by the program host.

28. 1158 GMT—Music.

Steel Tubing Base Built in Guangdong

*OW1912073894 Beijing XINHUA in English 0658
GMT 19 Dec 94*

[FBIS Transcribed Text] Guangzhou, December 19 (XINHUA)—A base for the production of spiral welded tubes with a diameter ranging from 400 to 3,000 mm has been built in Zhongshan city of south China's Guangdong Province.

The Zhongshan Steel Tubing (Group) Corporation invested more than 70 million yuan to import a production line from Australia. Its annual production capacity is 30,000 tons.

Spiral welded tubes have a wide use in infrastructure construction, such as in gas and tap water supply.

The corporation plans to introduce another such production line so that the annual production capacity may reach 100,000 tons. More than 5,000 tons of their tubes produced during trial operation have all been sold out.

Shenzhen Reports on Increased Telephone Capacity

*OW2012072994 Beijing XINHUA in English 0712
GMT 20 Dec 94*

[FBIS Transcribed Text] Shenzhen, December 20 (XINHUA)—The total capacity of telephone switchboards in Shenzhen City, China's first Special Economic Zone, now exceeds one million lines.

According to Xu Liyong, director of the Shenzhen Post and Telecommunications Administration, 560,000 telephones have been installed in the city, 60 percent of which are in households.

All across China, delays in installing telephones in homes have been a severe problem caused by the shortage of telephone exchanges. The director said that beginning next year, people may expect to have telephones installed within a month of making an application.

In order to meet the pressing need of the fast growing economy, the city has invested more than two billion yuan this year in upgrading its telecommunications facilities, which use fiber optical, digital, mobile and multi-media technologies.

Haikou Strives to Increase Employment Opportunities*OW2012024294 Beijing XINHUA in English 0202
GMT 20 Dec 94*

[FBIS Transcribed Text] Haikou, December 20 (XINHUA)—This capital of Hainan Province, China's second-biggest island and biggest special economic zone, has been making efforts to improve the employment chances for local residents, especially those from poor family backgrounds.

Since 1991 the city government has established 297 labor service firms, which have recruited more than 8,800 people laid off by other enterprises.

The city government has also been creating employment opportunities, such as by setting up free markets and then providing unemployed people with sales stands.

Meanwhile, the city puts emphasis on the training of the unemployed, with the major part of the cost coming from the government. People are taught skills related to dressmaking, computers, accounting and the repair of household electrical appliances.

The city has also established 23 employment service agencies to link businesses and job hunters.

Henan Cracks Down on Trademarks' Abuse*HK2012081694 Beijing XINHUA Domestic Service in
Chinese 2150 GMT 17 Dec 94*

[By Gu Wenhong: "Henan Industrial and Commercial Bureau and Enterprises Join Hands To Crack Down on Crimes Related to Forged Trademarks"]

[FBIS Translated Text] Zhengzhou, 18 Dec (XINHUA)—With the assistance of over 100 enterprises in the province, the Henan Industrial and Commercial Bureau launched an offensive against crimes related to forged trademarks province wide. A total of 550 relevant cases were identified over the last two months and 12 people involved in seven cases were brought to justice, thus safeguarding the rights and interest of a large number of enterprises.

In the previous period, a number of local famous trademarks were forged in varying degrees, greatly affecting the relevant enterprises' normal operations and jeopardizing consumers' interests. With the support of over 100 enterprises, the provincial industrial and commercial bureau concentrated its efforts on cracking down upon forged trademarks. By late November, 58 sites producing fake trademarks were smashed, 68 printing molds and plates and 5 million sets of various fake trademarks and logos were seized, and 4.5 million bottles of counterfeit brand-name liquor, 140,000 cartons of cigarettes, 740 tonnes of forged chemical fertilizers, and 3,700 boxes of forged electronic devices were found, arousing a great response in society.

North Region**Beijing Secretary on Central Economic Meeting***SK2012080894 Beijing BEIJING RIBAO in Chinese 9
Dec 94 p 1*

[FBIS Translated Text] Following the enlarged meeting held by the municipal party standing committee on 3 December on relaying the spirit of the central economic work conference, the municipal party committee and people's government jointly held a conference on 8 December with the participation of leading cadres from various districts, counties, bureaus, corporations, and higher educational institutions. During the conference, the participating cadres further relayed the spirit of the central economic work conference and Chen Xitong, secretary of the municipal party committee, and Mayor Li Qiyang delivered speeches.

Attending yesterday's conference were municipal leading personnel—including Li Zhijian, Chen Guangwen, Wang Baosen, and Duan Bingren.

Relayed at the conference were the important speech by Jiang Zemin, General Secretary of the CPC Central Committee, entitled "Clearly Understand the Situation, Unify Thinking, Successfully Conduct the Economic Work Next Year"; the important speech made by Premier Li Peng entitled "Continuously Enhance and Improve Macro Readjustment and Control To Ensure That the National Economy Achieves Sustained, Rapid, and Healthy Development Next Year"; and the summary speech made by Zhu Rongji, member of the CPC Central Committee's Political Bureau and vice premier of the State Council, entitled "Unify Understanding and Coordinate the Pace".

Chen Xitong and Li Qiyang stressed: The central economic work conference is a very important meeting at which Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line were upheld. During the central economic work conference, the participants implemented the spirit of the 14th CPC Congress and the spirit of the Third and Fourth Plenary Sessions of the 14th CPC Central Committee. They conducted an extensive summary of the work done in reform and development over the past year and conducted scientific and overall analysis and judgment over the current economic situation by seeking truth from facts. They also put forward the guiding ideology and major tasks for conducting the economic work next year and made work arrangements as well. All of these have an important and far-reaching significance on the accomplishment of the work this year and particularly on the success of next year's work. Leadership at all levels throughout the municipality should profoundly master the spirit of the central economic work conference so as to direct the summarization of this year's work and to study the formulation of work plans for 1995.

Chen Xitong and Li Qiyang stated: There are a little over 20 days left in the year. In line with the spirit of the

central economic work conference, we should examine the tasks in this year's work and make the best use of the last opportunity in the year to better conduct the work of various fields. As the New Year and Spring Festival approach, we should have the people throughout the capital enjoy peaceful, clean, colorful, and happy festive days. Various districts and counties must show concern for the livelihood of the masses, further do a good job in supplying winter heating, enrich the capital's markets for the festive period, and successfully conduct commodity supplies. They must also maintain good public security and social order and deal with the difficulties encountered by staff members and workers with low incomes so as to enable the capital's people to happily enjoy their festive days.

Attending the conference were leading personnel from the relevant departments, commissions, and offices under the municipal party committee and people's government; as well as leading persons from various districts, counties, bureaus, corporations, and higher educational institutions.

Beijing Mayor Discusses Supervisory Work

SK2012071394 Beijing XINHUA Domestic Service in Chinese 1948 GMT 15 Dec 94

[By XINHUA reporter Xu Jiangshan (1779 3068 0810) and SHOU DU JINGJI XINXI BAO reporter Liu Ping (0491 5493): "Jointly Talk About Supervision"]

[FBIS Translated Text] Beijing, 15 Dec (XINHUA)—"You are supervisors, instructors, inspectors, and auditors especially invited from among the personages of democratic parties and nonparty personages by the municipal government. You have been invited today to freely discuss the issue of achieving supervisory work...."

At 0900 on 14 December at the meeting hall of the northern building of the Beijing Municipal government, these especially invited working personnel vied with one another to make speeches as soon as Mayor Li Qiyang concluded his brief opening remarks.

Wang Shaowen, a special inspector of the municipal commodity price bureau and chairman of the grass-roots branch of the Beijing Municipal committee of the China Association for Promoting Democracy, said: "Ten of our comrades from six parties enjoy the great support of the leaders of the commodity price bureau. They not only invite us to participate in the monthly meetings on analyzing the commodity price and economic situation but also create favorable conditions for our supervisory work. They have paid full attention to our suggestions."

In 1989, the Beijing Municipal government was the first in the whole country to specifically invite a group of inspectors and supervisors from among democratic party personages and nonparty personages so that they could play a major role in carrying out the commodity price, financial and tax, industrial and commercial, educational, inspection, and auditing work. Even though

Major Li Qiyang has too many things to attend to at the end of the year, he will still talk about the supervisory work with the working personnel who have been especially invited.

While piercingly cold wind was blowing outside the windows, the atmosphere inside the meeting hall was warm. Li Qiyang focused his attention on listening to the participants' speeches. He conscientiously took notes and exchanged opinions and views with them. He paid attention to their opinions on bringing the supervisory role into better play. Wei Jinsheng, a special supervisor of the municipal industrial and commercial bureau and vice chairman of the Beijing Municipal committee of the China association for promoting democracy, set forward: Special supervisors' work targets and work contents in the new situation should deeply be explored. We should adopt necessary means to ensure smooth development of this work. The 75-year-old Fan Zichang, former vice chairman of the Beijing Municipal committee of the Jiusan Society and a special inspector of the municipal financial, tax, and price inspection office, set forth: Special working personnel have carried out their work for many years. We should strengthen and sum up their work so far and further standardize and systemize their work from now on.....

Time slipped by quickly, and it was soon past 12 o'clock. Li Qiyang said: Supervisory work should also be strengthened and further standardized, systemized, and carried out according to procedures. We hope that you will bring your functions into full play to further supervise the governments to improve their work and to better serve the people wholeheartedly.

Hebei Governor Reports Increased Foreign Investment

OW2012082194 Beijing XINHUA in English 0752 GMT 20 Dec 94

[FBIS Transcribed Text] Shijiazhuang, December 19 (XINHUA)—North China's Hebei Province used a total of 640 million U.S. dollars in foreign investment in the first ten months of this year, an increase of 42.2 percent over the same period of last year, according to the provincial government.

The province has signed more than 1,500 project contracts with overseas investors, with over 460 new joint ventures coming into operation since the beginning of this year, said Ye Liansong, governor of the Hebei.

Statistics show that more than 1,000 joint ventures have been registered for operation in the province since the beginning of the year, and many overseas investors are still eyeing business opportunities there.

Many leading companies in the world have shown great interest in starting business in the province, among them are Siemens and Hoechst A.G. from Germany and Japan's Toyota Motor Corporation and National Electric Industrial Company Ltd.

Foreign investors have been extending their cooperation in expressway and power station construction. Contracts have been signed for the construction of the Shijiazhuang-Taiyuan, Tianjin-Tangshan and Baoding-Shijiazhuang expressways, and a dozen thermal power stations.

Forty-two programs among this year's contracts have accounted for a total of 300 million U.S. dollars in foreign investment, with each topping five million U.S. dollars.

The province has, in addition, also used a total of 560 million U.S. dollars in foreign investment to upgrade technologies in its state-run enterprises.

Twenty economic development zones in the province have drawn a total of more than three billion yuan (about 350 million U.S. dollars) in foreign investment this year.

The province has also gained a rapid growth in exports this year. Its total export volume so far this year accounts for 2.3 billion U.S. dollars-worth.

High Technology Records Growth in Hebei

OW2012024794 Beijing XINHUA in English 0058
GMT 20 Dec 94

[FBIS Transcribed Text] Shijiazhuang, December 20 (XINHUA)—Electronic information, bio-technology, new materials and other high-tech industry sectors are burgeoning in North China's Hebei Province.

More than 20 percent of the large- and medium-sized state-owned enterprises have been renovated with high-technology, and the number of high-tech ventures has reached 384 in Hebei, which was traditionally known as a farming province.

Sources from the Provincial Science and Technology Commission said that the province has developed 571 kinds of high-tech products, and the profit generated by them is expected to reach over four billion yuan this year.

High-technology has been applied to many fields of production, including electronics, mechanics, biology, pharmaceuticals and farming.

Hebei's Baoding Makes Use of Location in Growth

OW2012072394 Beijing XINHUA in English 0659
GMT 20 Dec 94

[FBIS Transcribed Text] Shijiazhuang, December 20 (XINHUA)—Baoding Prefecture in north China's Hebei Province is pushing up its own economic and social development in pace with the uplift of China's capital city of Beijing.

Lying about 140 km to Beijing in the south, the prefecture has traditionally been regarded as a gateway to Beijing. At present, it has become a communications hub

on the Beijing-Guangzhou railroad, the Beijing-Guangzhou highway and the Beijing-Shijiazhuang Expressway, as well as several other highways and railways cutting through.

The prefecture has built up different categories of industries and developed agriculture.

So far the prefecture has signed foreign-investment contracts for 589 projects and absorbed 1.19 billion U.S. dollars, including 650 million U.S. dollars of contracted foreign funds.

Foreign businessmen have come from some 40 countries and regions, such as the United States, Canada, Japan, Australia, Denmark and Britain. And 208 Sino-foreign joint ventures are operational.

Meanwhile, more than 260 export-oriented local enterprises are operating with success, contributing about 700 million yuan worth of export commodities a year.

Inner Mongolia Secretary Attends Opening

SK2012023994 Hohhot Inner Mongolia People's Radio
Network in Mandarin 1100 GMT 19 Dec 94

[FBIS Translated Excerpt] The auspicious snow covered the capital of the region with light. This morning, more than 500 delegates to the sixth regional party congress, entrusted with a mission by the 950,000 communist party members and the 22 million people of various nationalities in the region, gathered with full confidence at the regional government auditorium to commonly discuss the major policies of a historical significance with regard to accelerating the region's modernization drive and to earnestly perform their glorious and sacred duties. The regional government auditorium, where this congress was being held, was brilliantly illuminated. The CPC emblem, hung on the center of the rostrum, looked especially dazzling backed with 10 red flags. The fresh flowers in full bloom placed in front of the rostrum brought spring atmosphere to the congress.

Seated in the front row on the rostrum were Liu Mingzu, Wu Liji, Qian Fenyong, Bai Enpei, Wang Zhan, Ting Mao, Wang Duo, Batubagen, Hao Xiushan, Shi Shengrong, Wuyunqimuge, Feng Qin, and Peng Cuifeng. Also seated on the rostrum were other members of the presidium and the guests invited to the congress. Also seated were (Bo Lin) and (Wang Liting), comrades of the organizational department under the CPC Central Committee; nonparty vice chairmen of the regional people's congress standing committee; nonparty vice chairmen of the regional committee of the Chinese People's Political Consultative Conference; and principal responsible persons of various regional democratic parties.

Wu Liji presided over the congress. [passage omitted]

Comrade Liu Mingzu delivered a report to the congress on behalf of the fifth regional party committee. [passage omitted]

Non-voting delegates to the congress were 104 persons, including members and alternate members of the fifth regional party committee and members of the regional discipline inspection commission, who are not delegates to the sixth regional party congress; some veteran comrades of the party; and pertinent responsible comrades of the party.

Inner Mongolia Reaps Bumper Grain Harvest

SK2012060894 Hohhot NEIMENGGU RIBAO in Chinese 7 Dec 94 p 1

[FBIS Translated Summary] According to data provided by the regional statistical bureau recently, the region has again reaped a bumper harvest in agriculture this year despite serious droughts, floods, waterlogging, and some other natural calamities. Amounting to 10.83 billion kg, 250 million kg less than that of 1993, total grain output for this year is the second highest harvest in the region's history.

Customs Work in Bonded Zone Progresses in Tianjin

OW2012020694 Beijing XINHUA in English 0052 GMT 20 Dec 94

[FBIS Transcribed Text] Tianjin, December 20 (XINHUA)—The work of China's first bonded zone customs, located in this North China port city, has been going smoothly in the first year of operation.

Working according to international standards, the customs post in the Tianjin Bonded Zone has so far handled imports and exports amounting to 614 million U.S. dollars-worth, and collected 107 million yuan (about 12.59 million U.S. dollars) in tariff revenue.

From the very beginning the pioneer customs office set high demands on itself. It has simplified declaration procedures, eased restrictions on the entry into the zone of ordinary commodities, expanded storage capacity, and given the green light to outside processing for enterprises in the zone.

Northeast Region

Heilongjiang Secretary Speaks on CPPCC Tasks

SK2012090094 Harbin HEILONGJIANG RIBAO in Chinese 29 Dec 94 p 3

[Speech by Yue Qifeng, secretary of the Heilongjiang Provincial Party Committee, at the work meeting of the Chinese People's Political Consultative Conference held by the Heilongjiang Provincial CPC Committee on 26 November]

[FBIS Translated Text] Comrades:

This meeting on the work of the Chinese People's Political Consultative Conference [CPPCC] of Heilongjiang is an important meeting convened by the

provincial party committee after the third plenary session of the seventh provincial party committee. The main task of the meeting is to further improve the understanding of party committees at all levels to CPPCC's status and function; implement in a down-to-earth manner the leadership of the party to the work of the CPPCC; bring into full play the function of the CPPCC; unite all the forces that can be united; initiate all the active factors; and, following the general ideas of the third plenary session of the seventh provincial party committee, fight together to carry out the strategic aim of increasing the GNP by 300 percent and reaching a moderately prosperous life in the time scheduled with one heart and one mind. For this, I will discuss three questions.

1. We Should Further Improve the Understanding of the Party Committees at all Levels to the Status and Function of the CPPCC

CPPCC is the most wide-ranging patriotic united front organization led by the Communist Party. It is an important organizational form by which we realize the multi-party cooperation led by the Communist Party and implement political consultation and democratic supervision. It is an important place where all the parties, all mass organizations, and all the representatives from all walks of life unite and cooperate to participate in and discuss governmental and political affairs. It is an important part of the political system characterized by socialism with Chinese characteristics. The political systems of our state include the system of the people's congress and the system of multi-party cooperation and political consultation led by the Communist Party. This is a new type of democratic system that conforms to the conditions of our state, and it is also a great creation, a major characteristic, and a great superiority in our state's political system and democratic politics. Under this system, people can conduct sufficient consultation over the crucial questions at the time of exercising democratic rights through election and vote; and they can implement broad democratic supervision at the time of carrying out legal supervision. CPPCC and the organ of the state's power supplement each other in the political activities of the state. CPPCC's function cannot be replaced by the organ of the state's power. CPPCC is a united front organization that includes all nationalities, all parties, all strata, all mass organizations, and all representatives from all walks of life in the whole state, and it absorbs all the leading components from all the quarters of the united front in the state, so it can represent a very extensive range of people. Bringing into full play CPPCC's function of political consultation, democratic supervision, and participating in as well as discussing governmental and political affairs is beneficial for encouraging the free airing of views, pooling the wisdom of the masses, and carrying out scientific and democratic decisionmaking. It is beneficial for finding problems, correcting mistakes, and improving work promptly and effectively. It is beneficial for reaching consensus, coordinating paces,

and pushing all undertakings to develop healthily. In the past several decades, CPPCC brought into full play its important unique function and made outstanding contributions in the struggle of building a new China and of consolidating the people's political power, in the socialist revolution and the modernization drive, in improving the Chinese people's unity and conducting education in patriotism, and in the great cause of enhancing the motherland's peaceful reunification. History proved that once the party's united front developed, the function of the CPPCC could be brought into play, the socialist democracy could be carried forward, and our state could become more and more flourishing and thriving. We can say that the function of the CPPCC is closely related with the destiny of the state, and the contribution of the CPPCC is as glorious as the achievements of the Republic.

Since the third plenary session of the 11th party Central Committee, the CPPCC of Heilongjiang focused firming the provincial party committee's core tasks in every stage, did a lot of work, and made important contributions. Currently, the provincial party committee proposes to open the "second battlefield" of economic development conscientiously while never slackening on economic development, such as in agriculture and state-owned enterprises, make great efforts to cultivate the new economic growth point, build a socialist market economy system by the end of this century, and implement the strategical aim of increasing GNP by 300 percent and reaching a moderately prosperous life. To implement this train of thought, and to realize this goal, Communist Party members of the whole province must work hard, there must be close coordination of person-ages outside the party from all walks of life, people throughout the whole province must have a common effort, there must be great support from all quarters at home and abroad. Therefore, to achieve success in the tasks of the united front, the CPPCC is concerned with the general task and the overall situation. The CPPCC is full of talent, has abundant intellectual resources, represents people from all quarters, has wide social connections, and is very influential. To bring into full play CPPCC's unique superiority in unity and consultation, wide social connections, and abundant intellectual resources is the indispensable condition for opening the "second battlefield" of economic development, achieving success in the second pioneering work, and realizing the goal of increasing the GNP by 300 percent and reaching a moderately prosperous life in the scheduled time. In the period of democratic revolution, united front was our "magic weapon," and in the new historical period of the socialist modernization drive, united front and the CPPCC are still our "magic weapons" and an important front army. If we do a good job in the task of CPPCC, in terms of the building of democratic politics, we will produce unity, stability, and initiative; and in terms of economic construction, we will produce qualified personnel, capital, efficiency, and the new economic

growth point. Therefore, it is imperative for party committees at all levels, from the perspective of building socialism with Chinese characteristics, to understand to the full sense the crucial function of the CPPCC, understand in a profound manner the meaning of the task of the CPPCC in the new period, and pay firm attention to the task of the CPPCC with more initiative.

2. We Should Further Improve the Party's Leadership to the Task of the CPPCC

To improve the party's leadership to the task of the CPPCC is the basic guarantee for bringing into play the function of the CPPCC. The local CPPCC should strive to subject itself to the leadership of the party committee, and the local party committees should continue to improve and better the leadership over the task of the CPPCC. This is two dimensions of one question. According to the requirements of the central authority and the real situation of Heilongjiang, party committees at all levels, in improving and bettering the leadership over the task of the CPPCC, should achieve success in at least the following aspects:

First, we should put the task of the CPPCC on the agenda of party committees. The task of the CPPCC is a crucial aspect in the task of party committees, and it is also an important component of the overall planning of the party committee's tasks. We should study, plan, assess, and examine the task of the CPPCC with the general task in a unified manner. We should focus on the core task of one period and consider the characteristics of CPPCC's functions to assign tasks to the CPPCC so we can combine the task of the CPPCC with the task of the party committee. We should turn the CPPCC work as "nonessential" into indispensable work, which must be made successful. The major leaders of party committees at all levels should keep close contact with the CPPCC, understand some more situations, listen to some more ideas, and make some more friends. Party committees at all levels should conduct special study of the task of the CPPCC two times a year. The study central group of the party committee should study conscientiously the theory, guideline, and policy of the united front and study the relevant documents of the central authority and the provincial party committee. To ensure the correctness of the party's leadership over the CPPCC, it is imperative to conduct some investigations and studies and to upgrade the level of theory, policy, and the art of leadership.

Second, we should implement step-by-step the standardization of the political consultation. Political consultation is a major way for the party to lead the task of the CPPCC. We should prepare sufficiently before consultation, readily accept good advice during consultation, and feedback promptly after consultation. When we conduct political consultation, we should observe the principle of "three before" and "three after." That is: The important questions should be consulted before the party committee makes the policy decision, before the government

makes the decision, and before the people's congress gives approval. When we plan the economic construction and the social development and decide on the crucial issues that concerns the people's lives, we should make policies after consultation; when we arrange the personnel, including the employment of the government's leading bodies at the corresponding level, we should make decisions after consultation; and, when we formulate the policies and rules concerning the localities' overall situation, we should approve after consultation. In the process of consultation, we should treat each other equally, seek common ground while reserving differences, respect all quarters, and give consideration to the minorities. This kind of consultation is an indispensable way to unify understanding and push the work forward; it is also a crucial method to study situations and resolve problems; and it is also an effective way to mobilize and organize the masses. Party committees, people's congresses, and governments at all levels should all follow the principles above and regard political consultation as an indispensable process of policy making.

Third, we should strengthen the building of CPPCC leading bodies at all levels. The leading body is the key factor that influences the result of CPPCC's task. Henceforth, the leading comrades of the party committees at all levels should take an interest in the task of the CPPCC, and one deputy secretary should be designated to conscientiously take charge of the contact with the CPPCC. The deputy party committee secretaries who hold concurrently the posts of the chairman of the CPPCC, as well as the secretaries of the leading party groups, should understand and do the task of the CPPCC conscientiously. The CPPCC body is a working body, and capable persons should be installed in the body without giving special consideration to certain persons. This should be decided on as a principle. The reform of the CPPCC organizations should suit the need of work and be beneficial to the improvement of the CPPCC tasks. The CPPCC organizations at the county level should be preserved and the leadership should be strengthened. When we arrange the CPPCC members, we should proceed from the need of bringing into full play the function of the CPPCC, and we should pay attention to their extensive representation, and ability to participate in and discuss governmental and political affairs. We should pay attention to replenish the CPPCC from the provincial level to the county level with the representatives from the economic circles, including the representative figures from the nonpublic-owned economy, and we should also absorb in a proper manner some members from Hong Kong and Macao. This is necessary, no matter if we use the viewpoint of politics or of economic development. We should include cadres of CPPCC organs in the cadre-exchange plans of the entire party and government organs, enhance a reasonable exchange, and employ or dismiss cadres as required. We should treat CPPCC members equally as we do the members of

the party and government organs in cultivation, education, use, and promotion, in order to maintain the energy of the CPPCC organs.

Fourth, we should create essential conditions for the CPPCC to bring into full play its function. The task of the CPPCC involves all the fields of politics, economics, culture, and social life, and the CPPCC members are distributed in every front. To achieve success in the task of the CPPCC, sometimes we need the party committees and governments at all levels to do some indispensable coordination work. Governments at all levels should do their best to help CPPCC resolve their difficulties in working conditions. When CPPCC conducts activities of investigation, inspection, and examination, the units and departments involved should receive CPPCC conscientiously and coordinate with it. When the CPPCC members participate in the CPPCC meetings and activities, the units where they belong should support with great efforts and provide conveniences.

3. We Should Further Bring Into Full Play the Function of the CPPCC

In the period hereafter, the core tasks of Heilongjiang's upper and lower levels are to emancipate the mind, clarify the thought, uplift spirit, strive to build initially the system of a socialist market economy in Heilongjiang by the end of this century, and carry out the strategical goal of increasing the GNP by 300 percent and reaching a moderately prosperous life. I hope the CPPCC at all levels throughout Heilongjiang continues to hold high the banner of patriotism and socialism, bring every positive factor into play, unite all the forces that can be united, bring into full play each one's own function, focus on the provincial party committee's core task and the strategical aim of increasing the GNP by 300 percent and reaching a moderately prosperous life, unfold the tasks with more initiative, and make efforts to create a new situation of the CPPCC task.

First, we should emancipate our mind and clarify our thoughts. After the third plenary session of the 11th party Central Committee, Heilongjiang's economic construction and social cause saw great development, and people's living standards were upgraded correspondingly. Heilongjiang's economic development, compared with the entire state's, is obviously stagnant and falls behind, and this is the main contradiction we face. The root cause for the stagnant economic development is that we do not emancipate our mind thoroughly. Therefore, in the period hereafter, emancipating the mind is still the main line that affects the tasks of the whole province, and it is still the common task expected to be completed by the people in and outside the party. In emancipating our mind, we should first study and understand Comrade Deng Xiaoping's theory; attach importance to linking our thinking with the reality; free ourselves from the bondage of the "left" thinking as soon as possible; and liberate ourselves from the influence of the pattern of unitary planned economy, the system of the unitary

ownership, the unitary financial resources, and the unitary working ideas, and create a relaxed environment to speed up development as well as a working situation that is full of pioneering spirit. Not only Heilongjiang's CPPCC at all levels, but also all the departments that are directly under the province and all localities should focus their efforts to resolve this problem. CPPCC's thinking has always been brisk and its democratic awareness has always been strong, and it should advance before the times in emancipating the mind. At the same time, the CPPCC also has the responsibility to report people's situation and thinking to party committees and governments at all levels, report the problems that exist in our work, and especially it should report those criticisms and suggestions that are difficult for us to obtain.

Second, we should plan well the big issues that concern the general situation and do more substantial things that concern the general situation. The big issues are reform, development, and stability. Reform is the means and the momentum; development the core task and the goal to fight for; and stability the condition and the guarantee. These three things rely on each other, promote each other, restrict each other, and not a single one of them is dispensable. The provincial party committee, in accordance with the reality of Heilongjiang, set forth the strategic goal of increasing the GNP by 300 percent and reaching a moderately prosperous life by the scheduled time, and this strategic goal is the epitome of the relationship of dialectical unity among reform, development, and stability in the period hereafter. The CPPCC at all levels should proceed from the requirements of the strategic goal and follow the overall train of thought of actively opening the second battlefield of economic development in an effort to consider the big issues, discuss the big issues, and do the substantial work. This strategic goal and the overall ideas provide a broad platform for the CPPCC tasks and CPPCC members at all levels. There are a lot of tasks to do if we focus on the overall train of thought, which is to actively open the second battlefield of economic development in Heilongjiang. For example, we can bring into full play the advantageous situation of the CPPCC to have a wide-ranging relationship with people at home and abroad; hold high the banner of patriotism; unite our compatriots in Taiwan, Hong Kong, and Macao and countrymen residing abroad; publicize the guideline and policy of the party; publicize the advantageous situation of Heilongjiang; promote understanding and trust; introduce projects, skills and capital from abroad; and make contributions to the economic development and the reunification of the motherland. We should also do more work of exchanging information, coordinating the relationship, removing the contradictions, improving the consensus, enhancing the unity of all the nationalities, guiding religion and the socialist society to adapt themselves to each other, and safeguard as well as develop social stability, etc. If we can achieve success in these

tasks in a down-to-earth manner, Heilongjiang's CPPCC task will be more and more substantial, and our contributions will become greater and greater.

Third, we should establish a sound working system and upgrade the level of participating in and discussing the government and political affairs. The level of the CPPCC in participating in and discussing the government and political affairs is not only determined by the individual quality of the CPPCC members. It is decided more by the working mechanism of the CPPCC itself. Henceforth, CPPCC at all levels should study actively through practice and establish a sound mechanism that can reflect promptly the political information in the society. As CPPCC is an important democratic channel, we should keep this channel smooth in terms of the working mechanism and make the members of CPPCC reflect promptly and correctly their viewpoints toward the crucial issues in domestic and abroad, their opinions and suggestions concerning the party and government's guideline, and their attitude and understanding of the united front and multi-party cooperation. By doing so, we can follow those who are good or we can guide them. We should establish a sound mechanism to bring into full play the CPPCC's advantage as a group to participate in, as well as discuss the government and political affairs, establish the CPPCC activities on the basis of the collective wisdom, and continue to raise the overall level of participating in and discussing governmental and political affairs. We should establish a sound mechanism of contact, unity, and self education to make the representatives from all walks of life reflect correctly the reasonable requirements and legal interests of the masses they contact with, unite and educate the broad masses of the CPPCC members, and bring into full play their function by focusing on accomplishing the party's core task. We should establish a sound mechanism to find and cultivate the qualified personnel and make the CPPCC's task of recruiting members and looking for the backbone a standardized procedure and mechanism. We should continue to reform and perfect the CPPCC tasks, so they can adapt themselves to the objective needs of a socialist market economy.

Comrades, Heilongjiang's new situation of reform and construction sets forth a new task and a new requirement to the CPPCC, and it also provides a more favorable opportunity as well as condition for opening up a new situation in CPPCC's task. We firmly believe that the CPPCC will carry out unswervingly the guideline of "long-term coexistence, mutual supervision, treating each other with all sincerity and sharing weal and woe," and make more contributions to reach again the glory in Heilongjiang's history of exploration and development, restore the magnificence of Heilongjiang's economic development, and realize the strategic goal of increasing the GNP by 300 percent and reaching a moderately prosperous life by the scheduled time.

Liaoning Tax Official Murdered

HK2012062494 Beijing XINHUA Domestic Service in Chinese 2140 GMT 17 Dec 94

[By XINHUA correspondents Fu Xingyu (0265 5281 1342) and Wang Liming (3769 7812 2494), and DANDONG RIBAO correspondent Wang Chibing (3769 6375 0365)]

[FBIS Translated Excerpt] Shenyang, 17 Dec (XINHUA)—There was blood all over the 20-square-meter courtyard. Sha Guangyu, the owner and a tax official, struggled bravely with the murderer, who had defied tax laws, and sacrificed his life gloriously to safeguard the dignity of state tax law.

At around 0650 on the morning of 19 November, a stranger came to Sha Guangyu's residence. Sha and his wife were not on guard. They had just sent their son to school and both the gate and door of the room were open. The stranger went straight to the room and said in a low voice: "I am Zhang Xiaowei and I have come for my sister's taxes." Sha asked: "Who is your sister?" "Zhang Xiaoxia of Yangmuchun Restaurant." "Oh, yes...." Sha asked Zhang Xiaowei to sit down and explained the whole story to him. Zhang then shouted furiously: "So you did it. Do you want the taxes or your life today?" He took out a knife and struck at Sha's head. Sha fought bravely with Zhang from the room into the courtyard. Sha died after being stabbed in the head and chest.

The case can be traced back to August 1994. In light of information provided by the masses, the tax bureau of Kuandian Man Nationality Autonomous County in Liaoning sent Sha Guangyu and two other tax officers to conduct an investigation of taxes levied on the Yangmuchuan Restaurant. They discovered that the restaurant had an outstanding tax bill of 100 yuan. At the same time, they found a copy of lost invoices. According to the provisions of the tax law, the restaurant was fined a minimum of 1,000 yuan. Although the restaurant was pressed several times for payment, the owner's wife

Zhang Xiaoxia paid only 200 yuan. As a result, the tax inspection team issued a final notice to her, urging her to pay 1,100 yuan in taxes in full before 19 November.

That morning, the murderer killed Sha Guangyu, who was then 37. [passage omitted]

Liaoning's Dandong Border Zone Attracts Investment

OW2012082494 Beijing XINHUA in English 0809 GMT 20 Dec 94

[FBIS Transcribed Text] Shenyang, December 20 (XINHUA)—The Border Economic Cooperation Zone of Dandong, a border city in northeast China's Liaoning Province, has become a hot spot for investment.

The zone, which was three years in the making, starts from Dandong Port to the north, with its capacity ships with up to 10,000 tonnage, and stretches more than 40 km along the Yalu River on the border between China and the Democratic People's Republic of Korea (DPRK).

Large-scale construction of infrastructure in the zone began in 1992 when it was listed as a part of the state's key cooperation program.

Three function zones, including the Trade and Tourism Park, the Jinquan Industrial Park, and the Dandong Bonded Zone, have been planned.

Investment from other areas of the country and abroad have exceeded 590 million Yuan, involving 860 companies dealing with food processing, trade, textiles, information and tourism.

Over the three years, there have been more than 30,000 people coming here to do business, including businessmen from Hong Kong, the Republic of Korea (ROK), the U.S., Japan, Taiwan and Singapore.

Experts said that as more and more people discover the importance of the development of the Far East-Asia areas, a foreseeable future of Dandong is assured.

Foreign Minister Calls For More Ties With Russia

OW2012100094 Taipei CNA in English 0700 GMT
20 Dec 94

[By Vladimir Mikh]

[FBIS Transcribed Text] Moscow, Dec. 19 (CNA)—There is tremendous potential for cooperation between the Republic of China [ROC] on Taiwan and the Russian federation, according to ROC Foreign Minister Chien Fu.

In an interview with Moscow's SEVODNYA DAILY, Chien said that after the collapse of the Soviet Union, ties between the two sides have been improving.

"We have found common understanding and realized that the two countries could mutually beneficially supplement each other in the fields of economy, science and technology," Chien said.

Trade is progressing slowly but surely, he added. Bilateral trade reached U.S. \$498.3 million in 1992, leaping to U.S.\$708.8 million in 1993, the paper said.

The prospects for close cooperation were boosted by two major events, including the Taiwan Products Show 1994 in Moscow and a recent visit to Taipei by a powerful group of Russian businessmen.

During the last two years, many Russian ballet dancers, circus artists and figure-skating stars have visited Taiwan. "All these happenings were vividly welcomed by our public," Chien said.

The Moscow-Taipei Coordination Commission, due to open soon in Taiwan, is expected to further boost contacts by offering full visa service. Regular flights and sealinks are also in the works.

In the interview, Chien also focused on Taiwan's turbulent relations with Mainland China. He pointed out that Beijing has repeatedly blocked Taiwan's bid to re-enter the UN and has prevented the ROC from expanding international contacts.

Calling the division of China "a national tragedy," Chien placed the blame on the mainland.

In a preface to the interview, the reporters said that Taiwan had "all the attributes of a state—president, parliament, coat of arms, hymn, flag." Taiwan maintains contacts with dozens of countries, although not formal or diplomatic, they noted.

Sources in the Russian Foreign Ministry confirmed that Moscow is preparing to send a high-ranking diplomat to Taipei to boost representation there. The interview with Chien was regarded here as a "red carpet treatment" on the eve of the upgrade.

Investors Warned of Worsening Situation in Russia

OW2012101494 Taipei CNA in English 0750 GMT
20 Dec 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Dec. 20 (CNA)—The Ministry of Foreign Affairs Tuesday [20 December] alerted Taiwan investors to Russia's worsening social order.

Noting the growing gangster menace in Moscow, the ministry said its representative office there has suggested that Taiwan investors in Russia jointly rent an office building and hire bodyguards to protect their personal safety.

Some Taiwan and foreign manufacturers have suffered from coercion by organized gangsterdom in Moscow, which has long existed and sometimes colluded with corrupt police, the ministry pointed out.

The representative office in Moscow has taken advantage of various gatherings to call on Taiwan businessmen and students to watch out for their safety, it added.

With the help of the Russian Ministry of Foreign Affairs, it said, the representative office has established communication channels with the police.

The representative office, which is obligated to protect Taiwanese residing in Russia, will do its best to help resolve various problems facing Taiwan investors, the ministry stressed.

Meanwhile, a CNA report from London quoted an international safety and intelligence consulting company as saying that multinational enterprises faced the biggest risks in having business connections with Russia, Mainland China, Nigeria and Algeria.

Control Risks listed blackmail and menace as the major threats from Russia's organized crime syndicates, noting that foreign companies also faced kidnapping and violence, the CNA report said.

The report by control risks was based on a survey conducted among more than 100 major enterprises in Britain.

Saying financial crime and fraud will replace terrorism as the most serious problem facing multinational companies next year, the report pointed out that Nigeria topped the list of business risks. Nigeria is plagued by strikes, protests, crime and corruption which has adversely affected its business development.

The report described Mainland China as the world's biggest emerging market, but said that its law system infused by communism could not handle business disputes.

In Algeria, the report said, conflicts between Muslim extremists and security troops might lead to instability in that country.

Deputy Representative for U.S. Office Named

OW2012094594 Taipei CNA in English 0822 GMT
20 Dec 94

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Dec. 20 (CNA)—Former INDEPENDENCE POST president Chen Jung-chieh will serve as deputy representative of the Taipei Economic and Cultural Representative Office in the United States.

Foreign Affairs Minister Chien Fu confirmed Chen's appointment at a news conference Tuesday.

Chien said Chen was picked because of his strong legal background and experience abroad. He will soon be sworn in and assume office, Chien added.

Chen, a law major in university and graduate school, is currently a counselor at the Ministry of Foreign Affairs. He previously served as secretary-general of the Straits Exchange Foundation and vice director of the Foreign Ministry's Treaty and Legal Affairs Department.

He has also served as first secretary of the ROC embassy in South Africa and fully understands ROC diplomatic protocol, Chien noted.

Chien said there are many problems concerning laws and treaties between Taiwan and the United States. Chen, as a law expert and familiar with American affairs, will be a good assistant to ROC representative to the United States Benjamin Lu.

Sung Chu-yu Sworn In as Taiwan Governor

OW2012093194 Taipei CNA in English 0807 GMT
20 Dec 94

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, Dec. 20 (CNA)—Sung Chu-yu was sworn in as the first popularly-elected governor of Taiwan Province during a ceremony in Taichung, central Taiwan, Tuesday [20 December] morning.

Speaking during the ceremony at the National Taiwan College of Physical Education, Sung expressed his deepest thanks to voters who entrusted him with the job and vowed to serve the people even better than before.

He also vowed to combat corruption, drug abuse, backwardness, poverty, inequality and low efficiency during his four-year term.

Sung said that people expect stability, equality and a prosperous environment. Saying that the small matters

of the people will be the big affairs of his government, he vowed to do his utmost to live up to voter expectations.

He said that without stability and reform, Taiwan will have a dark future. He also said that he will continue to promote inter-racial solidarity.

Saying that Taiwan is a pearl among Pacific rim nations, Sung vowed to work with the people to make the Taiwan experience the pride of all Chinese.

Sung won the Dec. 3 gubernatorial race by a landslide, defeating the second place opponent by a margin of 1.5 million votes.

Sung, 52, earned a doctorate from Georgetown University in the United States. He has served as the director-general of the Government Information Office and secretary-general of the ruling Kuomintang's Central Committee before he was appointed to the post of Taiwan provincial governor in January 1993.

Premier Lien Chan, who presided over the ceremony, spoke highly of Sung.

He said that in the past 22 months since Sung was appointed as Taiwan governor, he has worked diligently and has traveled to every part of Taiwan to learn more about the people.

He said that Sung garnered 4.7 million votes, or 56.22 percent of those cast—showing that Taiwan voters gave high marks to his performance.

About 3,000 people attended the ceremony, including central and local government officials, parliamentarians and his strong supporters during the campaign.

Weapons Carrying Mainland-Linked Freighters Banned

OW2012094894 Taipei CNA in English 0743 GMT
20 Dec 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Dec. 20 (CNA)—At least six Mainland Chinese-controlled cargo ships with large amounts of advanced weapons on board have made stopovers or delivered cargoes at major Taiwan sea ports during the past year, security sources said Tuesday [20 December].

Navigation authority tallies show that 13 foreign-registered but Mainland Chinese-controlled freighters have unloaded cargoes at Taiwan harbors since last May. Of them, six were registered in St. Vincent, four in Panama and one each in Singapore, Belize and Honduras.

Further investigations by security authorities found that six of those ships were carrying large amounts of sophisticated weapons which were far more lethal than those owned by local law enforcement officers.

Security sources said that the first such case was found in May 1993 when a Honduras-registered freighter owned by Mainland China-based Minjiang Shipping Co. made a stopover at Keelung Harbor. Crew members told harbor police that the vessel was carrying weapons mainly for self-defense purposes. Under tight security, the freighter left Taiwan after unloading goods. Harbor authorities also banned the ship from entering any Taiwan port again.

Five similar cases have since been found. Security authorities suspected that the mainland-controlled freighters might have intended to smuggle the weapons into Taiwan for sale to local gangsters.

Port authorities have been ordered to tighten inspections of commercial vessels and their cargoes, and all mainland-controlled ships with weapons on board will be banned from berthing at Taiwan ports.

Meanwhile, the Ministry of Transportation and Communications has intensified checks of Mainland Chinese stakes in foreign-registered cargo ships.

Council Bars Mainland Rice, Tea, Sugar Cane

OW1612102494 Taipei CNA in English 0804 GMT
16 Dec 94

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Dec. 16 (CNA)—The Council of Agriculture (COA) will not allow into Taiwan, even indirectly, glutinous rice, tea and salted sugar-cane shoots from Mainland China, rejecting applications by trade associations to import the products.

The COA said the demand for glutinous rice here is already met by the 20,000 hectares of paddy fields under cultivation for that purpose and by imports of the product from Thailand.

In addition, the COA decided to close Taiwan's door to mainland tea, including poorer tea, green tea and black tea, because tea is one of the major agricultural products in Taiwan. Yield from 21,000 hectares of tea plantations has created tea products worth some NT\$3.1 [new Taiwan dollars] billion (U.S.\$118 million) annually.

Tea products from countries other than Mainland China, imports of which increased 69 percent in 1993 over the 1991 level, have been sufficient to meet the remaining domestic demand, the COA officials added.

Meanwhile, Taiwan grows enough sugar cane for both sugar processing and fresh eating, making it meaningless to import salted sugar-cane shoots, a minor preserved food that is consumed as a vegetable, the officials noted.

Beijing To Host Cross-Strait Industrial Workshop

OW1712082094 Taipei CNA in English 0710 GMT
17 Dec 94

[By C.L. Tseng & Debbie Kuo]

[FBIS Transcribed Text] Beijing, Dec. 17 (CNA)—Beijing is planning to host an academic workshop on industrial cooperation across the Taiwan strait in February, aiming to further streamline trade and economic interaction between the two sides, technically in political impasse.

The workshop, authorized by the State Council's Taiwan Affairs Office and the semi-official Association for Relations Across the Taiwan Strait (ARATS), will be jointly sponsored by the State Planning Commission's Economic Research Center and the Institute of Taiwan Studies under the Chinese Academy of Social Sciences, an official from the Taiwan Affairs Office said Saturday [17 December].

Invitations to the workshop, scheduled to be held in mid-February in Beijing, are being sent to scholars and specialists in Taiwan studies, trade, and areas overseas, the official said.

Participants in the workshop are expected to discuss current developments in and future prospects for industrial cooperation between the two sides, he noted.

Meanwhile, ARATS Deputy Secretary-General Zhao Zhengyu said Shi Chi-ping, deputy secretary-general of the Taipei-based Straits Exchange Foundation (SEF) has been invited to take part in the workshop.

Ministry Sees Taipei as Regional Reinsurance Hub

OW2012100594 Taipei CNA in English 0721 GMT
20 Dec 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Dec. 20 (CNA)—The Ministry of Finance will work to attract world-renowned reinsurance companies to set up branches in Taiwan to help develop the island into a regional reinsurance service center, a ranking official said Tuesday [20 December].

"The move is part of our ambitious plan to build Taiwan into an Asia-Pacific regional financial hub and business operations center," noted Chen Chung, director of the ministry's Department of Insurance.

Chen said the Singaporean government has announced its decision to develop the Southeast Asian city-state into a regional reinsurance hub. However, Chen said he believes Taiwan stands a better chance of becoming such a center.

Singapore currently has 140 insurance companies and 38 of them operate reinsurance services. Nevertheless, Singapore's domestic market is tiny and it has to rely on Indonesia and Malaysia as its hinterlands.

Taiwan now has only 54 insurance firms. In addition to the locally-owned Central Reinsurance Co., three foreign reinsurance companies—Hannover Reinsurance Co.,

Munichre Service Ltd. and Cologne Reinsurance Co.— have set up liaison offices here. The Finance Ministry on Monday approved applications by Swiss Reinsurance Co. and Royal Insurance Plc. of Britain to open representative offices in Taipei.

With a large number of manufacturing companies, Chen said, Taiwan should have a far greater insurance market than Singapore. Once Malaysia and Indonesia open their reinsurance markets in the near future, he said, Singapore will not be able to compete with Taiwan.

Taiwan's insurance premium revenues reach an average of NT\$300 [new Taiwan dollars] billion (U.S.\$11.41

billion) annually, 16th largest in the world. Taiwan now accounts for 0.67 percent of the world insurance market, larger than Singapore's share.

Chen said the Finance Ministry is considering lowering business taxes on insurance and financial service companies to attract foreign insurers and bankers to launch operations here.

To lure more multinational business groups to move their regional headquarters to Taiwan, Chen said the ministry will also revise the current law to allow such groups to set up their own insurance companies here.

Hong Kong**Lu Ping on Establishing SAR Preparatory Committee***HK2012062294 Beijing ZHONGGUO XINWEN SHE in Chinese 1325 GMT 14 Dec 94*

[By reporter Gan Zhebin (3927 0772 2430)]

[FBIS Translated Text] Beijing, 14 Dec (ZHONGGUO XINWEN SHE)—After meeting a Hong Kong General Chinese Chamber of Commerce delegation in Beijing today, Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, said that the Preliminary Working Committee [PWC] of the Preparatory Committee of the Hong Kong Special Administrative Region [SAR] has only one year of work left as the plan to establish the SAR Preparatory Committee will start next year. The SAR Preparatory Committee, which will be set up in 1996, will continue to embody the principle of "Hong Kong people ruling Hong Kong."

After the establishment of the SAR Preparatory Committee, Lu Ping said, the method of work will be different from that of the PWC. Besides holding meetings to study and discuss matters, it will be necessary to take practical actions. It will be a working organ authorized by the National People's Congress [NPC] Standing Committee. The PWC mainly offers opinions and proposals and creates conditions as much as possible for "Hong Kong people ruling Hong Kong." Lu believed that when the Hong Kong people take over the work, they will be able to create a more prosperous Hong Kong.

On behalf of the 39th leading body of the Hong Kong General Chinese Chamber of Commerce, Zeng Xianzhi, president of the chamber, said that the tasks will be more arduous as 1997 approaches. The chamber will spare no efforts to dedicate itself and take an active part in the affairs regarding Hong Kong's return to the motherland.

Lu Ping spoke highly of the patriotic tradition of the chamber saying that its glorious history of hard struggle and long-term patriotism should be written in a book and passed down to future generations.

Chen Ziying, deputy director of the State Council's Hong Kong and Macao Affairs Office, and Zhang Liangdong, director of the office's Hong Kong Economy section, were present on the occasion.

After the meeting, Lu Ping feted the delegation.

List of Senior Staff Sought*HK2012061294 Hong Kong EASTERN EXPRESS in English 20 Dec 94 p 2*

[By Rain Ren]

[FBIS Transcribed Text] Beijing should be given a list of civil servants who plan to remain in Hong Kong after the 1997 handover to serve the Special Administrative

Region (SAR) government, a leading member of the Preliminary Working Committee said yesterday.

Leung Chun-ying, who chaired yesterday's group meeting in Hong Kong, said Britain and China needed to strengthen communications on the transition of civil servants, especially that of about 1,000 senior officials.

The Chinese Government needs to know how many senior officials are willing to stay and how many of them want to retire or plan to resign before 1997 so that the preparatory committee, when it is established in 1996, will have a clear picture of the situation of the civil service, Leung said. As far as he knew, the Chinese government had been given no information on the subject. But Leung added that if Britain provided such information, China will not necessarily co-operate on the selection of top civil servants.

The PWC also wants more talks on the appointments of top civil servants, the Government's promotion plans concerning senior officials in the run-up to 1997, and the relationship between the preparatory committee and the Hong Kong government on arrangements for the transition of the civil service.

Other questions include the pension fund for civil servants the principle of confirming the existing civil service system, and any amendments or changes to the ordinances regarding civil servants. The group will also study the role of the Public Service Commission on the transition of the civil service, the relationship between the localisation of civil servants and the stability of the civil service, issues concerning civil servants' political neutrality and problems regarding their involvement and participation in politics.

The group agreed that if there was a need for civil servants to go through a procedure to confirm that they want to remain in service, the procedure should be simple.

The PWC earlier suggested that the preparatory committee should issue a circular before the 1997 handover to confirm the offer of employment by the SAR government to all the civil servants. But it has been some members' view that since the Basic Law has already set out that all civil servants may remain in employment and retain their seniority with pay, allowance, benefits and conditions of service after the handover, such a circular is not necessary. Leung said it was too early to decide how the problems should be settled.

Editorial Accuses UK Over 'Human Rights Card'*HK2012073694 Hong Kong WEN WEI PO in Chinese 20 Dec 94 p a2*

[Editorial: "Britain Continues To Confront China by Playing 'Human Rights Card'"]

[FBIS Translated Text] Incited by a British member of the European Parliament, the European Parliament has

allocated \$1.8 million [currency not specified] to establish a "human rights center" in Hong Kong, in preparation for interference in the political affairs of the Special Administrative Region after 1997 and for placing Hong Kong under the monitor of the European Parliament. Why did the British member of the European Parliament not suggest that a "human rights center" be established in London to watch the human rights conditions in Britain, instead of playing the "international card" so enthusiastically in the colony from which Britain must soon retreat? This reflects Britain's stubborn policy of resisting China's resumption of sovereignty over Hong Kong.

Not only that, Britain also gave an evil performance at the recent UN Human Rights Conference in Geneva.

Although the Convention on Economic, Social, and Cultural Rights became effective in 1976, Britain did not commit itself to the responsibility of thoroughly implementing the convention in Hong Kong; when Britain submitted a report on implementation of this human rights convention in 1980, the part about Hong Kong was not listed separately as a chapter, but was included in a chapter which covered another 16 dependent territories and the content was very simple. In the middle of the 1980's, Britain submitted another human rights report and the conditions were the same. In 1994, Britain submitted a report for the third time and the method was immensely different; to emphasize the Hong Kong issue, Britain specifically compiled an independent chapter on human rights issues in Hong Kong, whereas the other 16 dependent territories were only touched on lightly because "the other dependent territories have small populations."

In order to bring Hong Kong's human rights issue to the international forum, Britain let the members of the Legislative Council who like to viciously attack China, say the words which Britain wanted to say but which are inconvenient for it to say, so as to achieve the purpose of incorporating and inciting international forces to interfere in Hong Kong's affairs. In an unprecedented move, the British Hong Kong authorities manipulated the Legislative Council which subsequently sent Emily Lau and To Kun-sun to attend the hearings in the capacity of members of the Commission on Constitutional Affairs, whereas the "International Jurists Association Hong Kong Branch," the "Hong Kong Association of Community Organizations," and the "Hong Kong Human Rights Association" sent people such as Christine Loh to attend the session, while the Hong Kong Government sent five officials; such a huge "government and nongovernment delegation" has never been seen before and this reflected the fact that Britain and the anti-China disrupt-Hong Kong elements were closely collaborating, using the issue of human rights in Hong Kong as a breakthrough point to: Distort and tarnish China's basic policy and principle toward Hong Kong; create international opinion in support of Patten's political reform plan; attack China by hinting that it will not realize

"human rights"; attempt to internationalize the issue of transfer of political power over Hong Kong; and to ask the relevant UN commission on human rights to supervise Hong Kong.

Before the hearing session in Geneva, British officials and Patten all claimed that since Britain has submitted reports on Hong Kong's human rights to the UN Economic, Social, and Cultural Rights Commission in Geneva, China has the responsibility of submit reports on behalf of Hong Kong after 1997. Patten also shouted: "The Chinese Government must submit reports on Hong Kong's human rights to the United Nations after 1997 and if China does not agree, then it should offer its ideas." Emily Lau said: "To let Legislative Council members attend the session is helpful in raising the commission's degree of attention to the Hong Kong issue," whereas the Hong Kong Government's attorney general admitted that the Hong Kong Government and Emily Lau and others "played a legitimate and supplementary role" in the hearing. This fully illustrates that it was a political show directed by Britain and the purpose was to rely on international forces to exert pressure on China and bring the Hong Kong issue to the international community to continue the argument. So-called "stopping the controversy on political system" and "stretching out a friendly hand" are nothing but means to lull China and cheat the Hong Kong people. Britain knows that regarding the issue of transition of Hong Kong, because it neither engaged in stable transition according to the Joint Declaration nor cooperated with China, it has already caused objections from the Hong Kong people as well as strong grievances among British businessmen. Therefore the Conservative Party in Britain released the smoke screen of "mending ties with China, thinking that it can practice deception and continue the confrontation line and, on the other hand, address grievances on various sides.

Britain is still practicing colonial rule over 16 territories and stripping the peoples there of their rights to organize and elect governments at their own discretions. This is the most despotic type of rule which most seriously violates human rights but Britain avoided troubling to mention it. Conversely, it kept talking to the special UN commission on the issue of submitting reports by China to the United Nations after 1997 and spread the ridiculous theory that China is suspected of going to hurt Hong Kong's human rights. This is completely unreasonable.

After 1997, the democracy and human rights to be obtained by Hong Kong residents will be much more than in the era of British colonial rule. Hong Kong residents can choose and organize their own government and legislative council and they will be free from the despotic rule by an alien governor who is sent by the queen. All the democracy, freedoms, and human rights are basic principles and policy of the PRC toward Hong Kong, are written down in Annex I of the Joint Declaration, and will be implemented through the Basic Law. This is the most effective guarantee for human rights.

The British side says that if China does not submit to the United Nations reports on Hong Kong's human rights, then it violates the Joint Declaration but this kind of absurd theory is untenable. The Joint Declaration neither stipulates that Britain submits reports to the United Nations before 1997 nor states that China submits reports to the United Nations after 1997. Britain distorts the Joint Declaration for the purpose of drawing over international forces to Hong Kong to interfere in Hong Kong's affairs and to lay a mechanism leading to the destruction of the investment environment as well as the atmosphere for international investment in Hong Kong after 1997. Britain, up to now, as a signatory to the Human Rights Convention, has not passed any human rights law inside the country (the reason being that passing a human rights law will enable Europe's human rights court to infringe upon British sovereignty), nor has it reported to the UN how it has trampled on human rights in Northern Ireland. Certainly it has not reported to the United Nations its ugly behavior of stripping the peoples in 14 colonies of their rights to organize governments and serve as civil servants on an equal footing with British whites.

Britain itself has a history which is not very graceful but it stretches its hands, out of the domain of its own sovereignty, to interfere in China's internal affairs after 1997, instructing China to do the things which even Britain does not want to do. Is it not taking someone else's job into its own hands? If it wants to cooperate with China, Britain should engage in less confrontation and stop the actions of "Cold War" type.

Editorial Defends Preliminary Working Committee

*HK1912153694 Hong Kong TA KUNG PAO in Chinese
16 Dec 94 p 2*

[Editorial: "Through Train Disguised Otherwise Should Be Blocked by PWC"]

[FBIS Translated Text] The wave of vicious attacks on the Preliminary Working Committee [PWC] led by Martin Lee and Szeto Wah of the Democratic Party has been condemned by the force of justice.

Born in stormy days, the PWC began its work amid British Hong Kong's interference and abuses by anti-Chinese and Hong Kong-destabilizing elements, but with the support of the Hong Kong people it has gone to score one encouraging achievement after another. In little more than a year, it has put forward many sound recommendations and proposals on problems of concern to Hong Kong people, such as preparing for the establishment of the future special administrative region [SAR], economic development, and improving livelihoods. Through the PWC's various proposals embodying the Basic Law, the people of Hong Kong can now see more clearly the prospects for realizing "one country, two systems," "Hong Kong governed by Hong Kong people," and a better future for them.

There is only one year left before the establishment of the Hong Kong SAR Preparatory Committee; it is time for the PWC to hammer out concrete programs on the important matter of building and organizing the Hong Kong SAR. It seems that it is becoming a law that the more concrete the PWC's tasks become and the nearer the day of the changeover of political power in Hong Kong, the more those people who count on British colonial rule panic and the greater is their resistance.

The vicious attacks on the PWC by Martin Lee and Szeto Wah [leading members of the pro-democracy Democratic Party] and company are indeed bad; but they are also good. First, because the attacks reveal their true color: Pro-British and anti-Chinese. Have they not been talking of the "rule of law?" Now, could it be the rule of law when they wantonly attacked the PWC—even attempting to debate its legality in the Hong Kong Legislative Council under a colonial regime—a body founded by an institution with the nation's supreme power and legislature to work for the preparations of the Hong Kong SAR as provided by the Basic Law? This was simply lawlessness! Have they not been talking of the "people's will?" How can they respect the people's will when they vehemently oppose the PWC, a body comprised of people representative of different sectors who investigate and study issues of concern to Hong Kong people and their interests? They are only desecrating the people's will.

Second, these attacks will raise Hong Kong people's vigilance and make them work harder to prevent chaos and ensure a smooth transition. Those who are not happy to see the arrival of 1997 will always want to set up obstacles on the road of the Hong Kong people toward 1997. Often, while they are creating chaos, at the front of the stage stand only Chinese, and the British stay behind the scenes. Chris Patten's attacks on the PWC through the mouths of Martin Lee and Szeto Wah have opened the eyes of many people.

The PWC is working entirely for a smooth transition for Hong Kong. If Britain wants to honor the Sino-British Joint Declaration and cooperate with China, it should support the PWC and allow and encourage civil servants to contact and communicate with the PWC and provide it with information and situation updates to help it formulate proposals and programs. However, the thing occupying Chris Patten's mind night and day is not how to realize a smooth transition for Hong Kong, but how to organize his men in the effort to ride through the gate of 1997. Since there is no more "through train," he is thinking of another device as good as a "through train" but disguised otherwise. Be it the three-tier council elections drafted on the basis of the "three violation's" package, reshuffles of secretary-rank officials under the banner of "localization," or the claim that Court of Final Appeal judges appointed before 1997 can remain in office after that year: They are all attempts to place personnel of his choice and who are in his confidence in positions straddling 1997 and an attempt to create a

"through train" disguised otherwise, in other words, to seize political ground with every possible means for pro-British elements. The establishment of the PWC and its work over the last year or so are blocking such attempts. A through train disguised as otherwise will continue colonial influence and must be blocked.

Judging from the proposals to be submitted to the Preparatory Committee, things contradicting the Basic Law and the will of the Hong Kong people, and people who oppose the Basic Law in word and action and prevent Hong Kong from returning to China, can hardly expect to make it through the gate of 1997. This of course is beyond Chris Patten's comprehension. He said wistfully a few days ago: "If that means excluding political figures produced through Hong Kong's democratic process (read produced according to his design), from the political process, then I do not understand."

It is not difficult to see from here why Chris Patten has reiterated his attitude of nonrecognition and noncooperation regarding the PWC. It is this poor attitude of Chris Patten that has made possible such brazen and unbridled opposition by a band of anti-Chinese and Hong Kong-destabilizing elements toward the PWC, its establishment, and its proposal to set up a provisional legislative organ.

To cover up the truth, Chris Patten has had the audacity to bill himself as eager to cooperate with China, saying that this is not for Britain, but is for Hong Kong and China, with the reason being that "Britain is on the other side of the globe." How agreeable to the ear! But these questions propose themselves: Why did Britain, on the other side of the globe, sail its gunboats to Hong Kong, a Chinese territory, 150 years ago and invade it? Was it not to plunder the wealth here? Why did Chris Patten, from the other side of the globe, come to Hong Kong about two years ago to issue orders and rule Hong Kong? Was it not to safeguard the colonial interests of his home country? Nobody will be deceived by Chris Patten's mask. It is better for him to adopt a honest attitude and do something really practical for a smooth transition in Hong Kong.

'Attacks' on PWC Criticized

*HK2012062094 Hong Kong WEN WEI PO in Chinese
14 Dec 94 p A2*

[Editorial: "Why Are They Furiously Attacking Preliminary Work Committee?"]

[FBIS Translated Text] Pro-British and anti-Chinese elements have again recently attempted to whip up a wave of criticism against the Preliminary Working Committee [PWC]. Following a 10 December press announcement by three-tier councillors [members of district boards, municipal councils, and Legislative Council] of the Democratic Party, who attacked the setting up of a provisional legislative organ, Szeto Wah, a legislative councillor from the Democratic Party, is

going to table a motion at today's Legislative Council [Legco] session viciously attacking the PWC and its proposal to establish a provisional legislative organ. It is not known whether the motion will be passed, but this farce staged again by councillors operating with the British Hong Kong authorities' system certainly has a background.

At the fourth plenary session of the PWC convened a few days ago, Qian Qichen, Chinese vice premier, foreign minister, and PWC chairman, pointed out in his opening speech that while China welcomed Britain's statements about strengthening cooperation with China, Britain needed to produce practical actions on the statements. Driving home his point, Qian Qichen said: "We hope that the British Hong Kong authorities will change its stand toward the PWC and show sincerity. This will help Hong Kong's smooth transition and its prosperity and stability and improve Sino-British relations." However, in responding to Qian Qichen's statements, Chris Patten openly displayed a noncooperative attitude. Before he left Hong Kong for the ROK and Japan on official visits, he bluntly said that British Hong Kong had "no intention of rethinking its stand toward the PWC."

British Hong Kong's attitude is one of "ending it here." Chris Patten's stubborn refusal to cooperate with the PWC is in line with his consistent attacks and denigration of the PWC. He has attacked the PWC because it lacked "credibility." In his policy address on 5 October this year, he made a point of playing down the PWC's importance, describing it as a "consultative organization," and banned civil servants from communicating with it. The day after the release of the policy address, the British Hong Kong chief secretary [Anson Chan On-fang] issued a "three no's" directive banning all communication or cooperation between civil servants and the PWC. Then, a member of the Executive Council came forward and publicly attacked and interfered with the PWC's work. On the overt instructions and encouragement of Chris Patten and the British Hong Kong authorities, the Democratic Party's Legco members started a wave of attacks on the PWC in the 19 and 20 October Legco debate on the policy address. These attacks on the PWC angered Hong Kong people and public opinion and drew strong criticisms, but they did not back off.

Now, the British Hong Kong authorities and pro-British and anti-Chinese elements are working closely to whip up another wave of slurs and attacks on the PWC. The motion tabled by Szeto Wah in today's Legco session is only a move taken with the hint of British Hong Kong and follows its actions. By acting as the schemer behind the scenes of this farce, the British Hong Kong authorities have once again betrayed their insistence on holding a mistaken attitude toward the PWC and their refusal to change course.

When meeting with Qian Qichen in New York in late September last year, Douglas Hurd again told Qian that

he wanted to strengthen cooperation with China. However, Britain was not sincere about it and failed to take practical actions to improve Sino-British relations. The farcical attacks on the PWC directed by Chris Patten and the British Hong Kong authorities show that the British side is still refusing to cooperate with China on the problem of Hong Kong and is still attempting to make a smooth handover impossible and continue its political influence by making trouble. But the excellent preparations made by the PWC for the special administrative region [SAR] have foiled Britain's plot. That is why Chris Patten and the British Hong Kong authorities have again wrecked their brains to instigate a wave of attacks on the PWC in a vain attempt to interfere in and undermine the PWC's work. However, no interference and undermining can prevent the PWC from doing its job. The fundamental reason is that the PWC's work is supported by the people of the motherland and the active participation of Hong Kong people. Since early this year, the PWC has stuck closely to the principle of relying on its strength to achieve a smooth transition, increased the pace of early preparations for the establishment of the SAR, and has recruited and absorbed more professional and experienced people from all quarters of Hong Kong society to join its work and pool their brains, efforts, and collective wisdom. The PWC's work has shaped the framework of the preparations for the future SAR, especially its proposal to set up a provisional legislative organ for the future SAR, which hit Britain at its weakest point and effectively foiled Britain's attempt.

To this day Britain has not given up the erroneous policy line of neutralizing China's sovereignty over Hong Kong; it is so scared of the PWC's work, work which manifests China's sovereignty and ensures a smooth transition, and has done everything in its power to hinder and undermine the PWC. Therefore, the British Hong Kong authorities' attitude toward the PWC best indicates whether Britain is willing to improve relations and strengthen cooperation with China. Qian Qichen touched the crux of the matter when he pointed out that the British Hong Kong authorities must change their attitude toward the PWC. However well Douglas Hurd and Chris Patten say they want to improve relations with China, so long as the British Hong Kong authorities' attitude toward the PWC remains unchanged, this proves that Britain is not sincere about cooperation.

Pension Fund To Proceed Without PRC Agreement

HK2012061494 Hong Kong SOUTH CHINA MORNING POST in English 20 Dec 94 p 2

[By Chris Yeung and Linda Choy]

[FBIS Transcribed Text] A \$7 billion pension fund for civil servants is to go ahead without the agreement of China. A Civil Service Branch spokesman said yesterday that the fund would be set up as soon as possible, following further consultation with union representatives.

The spokesman said the fund would be used exclusively to pay pensions, in the extremely unlikely event that they could not be covered by the general revenue. He said the future balance of the fund would be maintained at a minimum of one year's estimated pension expenditure. "The Joint Declaration and the Basic Law specifically guarantee the continued payment of pensions on terms no less favourable than before and irrespective of nationality or place of residence. The establishment of the fund will reinforce these guarantees," he said. "The administration has had to consider what the public would accept."

The funding would be subject to approval from the Legislative Council and its Finance Committee. Chinese officials and unionists have argued that the reserves are inadequate and the fund should be raised to \$15 billion. The issue was discussed at the Joint Liaison Group (JLG) session in London which finished on Friday. Chinese JLG leader Zhao Jihua said no agreement had been reached. It is understood Britain expressed its intention to go ahead with its plan at the meeting.

The pension fund was one of the items on the agenda of a Preliminary Working Committee (PWC) working group which began a meeting yesterday. The group will study the transition of the civil service, according to PWC member Leung Chun-ying. But co-operation would be needed between the Hong Kong Government and the Preparatory Committee, to be set up in 1996, to prepare for the post-1997 government.

There was no point in discussing the transition of civil servants without a cooperative relationship, he said. China has previously rejected the Government's call for discussion of the transition of senior civil servants, saying that it was a matter of sovereignty. Governor Chris Patten has pledged to work with the Preparatory Committee, but Mr Leung said he had to see the detailed proposals before reaching a conclusion on the Government's attitude. Civil service transition topics included the need for staff to confirm their service with the Government beyond 1997, the localisation policy, and the political neutrality of civil servants.

Mainland, Hong Kong Promote Mutual Prosperity

OW2012085894 Beijing XINHUA in English 0835 GMT 20 Dec 94

[FBIS Transcribed Text] Beijing, December 20 (XINHUA)—Hong Kong's economy has become more prosperous since the Sino-British Joint Declaration on the Hong Kong issue was signed ten years ago.

Hong Kong's economic growth stems largely from its close economic and trade relations with the mainland. Over the past decade, Hong Kong and the mainland have become mutually dependable and have achieved common development.

In accordance with the Joint Declaration, the policy of "one country, two systems" will be pursued in Hong

Kong, and Hong Kong's present economic, social and legal systems will remain unchanged after 1997.

This policy meets the needs of the mainland in pursuing the policy of reform and opening up, and of Hong Kong for serving as a major international economic center.

Trade between the mainland and Hong Kong has been growing rapidly since 1984.

In the year, the trade volume was just 9.86 billion U.S. dollars, according to Wang Wende, Deputy Director of the Taiwan, Hong Kong and Macao Department of the Ministry of Foreign Trade and Economic Cooperation.

That year the mainland bought 2.95 billion dollars worth of goods from Hong Kong and sold 6.9 billion dollars worth of goods to Hong Kong, he said.

In 1993, mainland-Hong Kong trade soared to 32.54 billion U.S. dollars, 3.2 times the 1984 figure, he said.

That year the mainland bought 10.4 billion dollars worth of goods from Hong Kong and sold 22.6 billion dollars worth of goods to Hong Kong.

Trade between the mainland and Hong Kong rose further to 49.79 billion U.S. dollars in the first half of 1994, Wang said.

Large amounts of funds from Hong Kong have flowed into the mainland over the past decade, to the benefit of the two sides.

By the end of 1993, Hong Kong firms had undertaken 112,412 investment projects in the mainland, with contractual investment from Hong Kong totalling 148 billion U.S. dollars. To date, they have already contributed 36.9 billion U.S. dollars.

Since the late 1980's, Hong Kong firms have moved their labor-intensive industries to the mainland. As a result, the mainland, especially the Pearl River Delta in Guangdong Province, has become a production center for Hong Kong's manufacturing industry.

By so doing, Hong Kong companies have not only provided funds, technology and managerial expertise to their colleagues in the mainland, but also eased pressures caused by higher rents and labor costs in Hong Kong. So, they have been able to maintain their competitiveness in the global market.

Meanwhile, they have also made high profits from their investment in the mainland. With the annual investment return estimated at 20 percent, Hong Kong earned some six billion U.S. dollars alone in 1993, roughly six percent of its gross domestic product—the value of goods and services produced.

Also over the past decade, Hong Kong investment has been extending from south China to other parts of the mainland, while mainland companies have broken into Hong Kong's construction project contracting market and labor market.

Mainland's economic growth has produced a vital impact on Hong Kong's economic expansion.

Since the mainland initiated the policy of reform and opening up 15 years ago, its sustained, rapid and sound development has provided a powerful impetus to Hong Kong's economic expansion, and strengthened its position as an international trade, financial, shipping and information center.

The increase in Hong Kong's external trade has been led by reexports, which have been rising at an annual rate of 36.4 percent since 1984.

Reexports accounted for 40 percent of Hong Kong's external trade in 1993. Eighty-eight percent of Hong Kong's reexports are related to the mainland.

On the other hand, Hong Kong also serves as a bridge between the mainland and the rest of the world and the largest source of hard currency for the mainland.

Exports from the mainland amounted to 91.7 billion U.S. dollars in 1993, with goods sold to Hong Kong worth 22.6 billion dollars.

Economic and trade exchanges between the mainland and Hong Kong over the past decade indicate that Hong Kong's prosperity and stability are vital to the progress of mainland's modernization, and that the reform and opening in the mainland are essential to Hong Kong's prosperity and stability.

Electronic Timer Begins Hong Kong Countdown

OW1912152494 Beijing XINHUA in English 1452
GMT 19 Dec 94

[FBIS Transcribed Text] Beijing, December 19 (XINHUA)—A huge electronic timer counting the remaining days, hours, minutes and seconds until China's resumption of sovereignty over Hong Kong was unveiled to the east of the Tiananmen Square here today.

The timer, erected yesterday in front of the History and Revolution Museums, is 16 m [meters] high and nine m in width.

It was jointly designed and built by the "China Brand-Name Journal" of XINHUA NEWS AGENCY, the Chinese Revolution Museum, the South China Aerodynamic Machinery Company and the Shandong Linghua Group, to mark the tenth anniversary of the Sino-British Joint Declaration on the Question of Hong Kong.

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